EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: [TBD]

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Dennis D. Keefe

Signed by the President or Chief Executive Officer

Care New England Health System
Entity

Subscribed and sworn to before me on this 15th day of March 2013.

Alyssa Best

Notary Public
My Commission Expires: 2/28/2015

EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: ~~[TBD]~~

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Signed by the President or Chief Executive Officer

Southeastern Healthcare System, Inc.
Entity

Subscribed and sworn to before me on this 20th day of March 2013.

Notary Public
My Commission Expires: 02/13/2015

EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: [TBD]

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Signed by the President or Chief Executive Officer

The Memorial Hospital d/b/a Memorial Hospital of Rhode Island
Entity

Subscribed and sworn to before me on this 22nd day of March 2013.

Notary Public
My Commission Expires: 02/13/2015

EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: [TBD]

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Patricia B Rempucci MD

Signed by the President or Chief Executive Officer

Butler Hospital
Entity

Subscribed and sworn to before me on this 15th day of March 2013.

Allyson Boss

Notary Public
My Commission Expires: 02/28/2015

EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: [TBD]

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Signed by the President or Chief Executive Officer

Kent County Memorial Hospital
Entity

Subscribed and sworn to before me on this 15th day of March 2013.

Notary Public
My Commission Expires: 02/28/2015

EXPEDITED REVIEW HOSPITAL CONVERSION INITIAL APPLICATION

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

Name of Transacting Parties: Care New England Health System Southeastern Healthcare System, Inc. 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
Date of Agreement Execution with the Director for Payment of Costs*: [TBD]

* Please provide copies of the responsive documents.

CERTIFICATION

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

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

Constance A. Howes
Signed by the President or Chief Executive Officer

Women & Infants Hospital of Rhode Island
Entity

Subscribed and sworn to before me on this 15th day of March 2013.

Allyssa Bois
Notary Public
My Commission Expires: 02/28/2015

TABLE OF CONTENTS

TABLE OF CONTENTS

Question Number/ Appendix	Bates Number
A.	RIDOH 0003
B.	RIDOH 0004
C.	RIDOH 0005
1.	RIDOH 0006
2.	RIDOH 0008
3.	RIDOH 0009
4.	RIDOH 0010
5.	RIDOH 0011
6A.	RIDOH 0012
6B.	RIDOH 0016
7.	RIDOH 0021
8A.	RIDOH 0022
8B.	RIDOH 0023
9.	RIDOH 0024
10.	RIDOH 0025
11.	RIDOH 0026
12.	RIDOH 0028
13.	RIDOH 0029
14.	RIDOH 0030
15.	RIDOH 0031
16.	RIDOH 0032
17.	RIDOH 0033
18.	RIDOH 0034
19.	RIDOH 0035
20.	RIDOH 0036
21.	RIDOH 0037
22.	RIDOH 0040
23. a)	RIDOH 0041
23. b)	RIDOH 0043
23. c)	RIDOH 0044
23. d)	RIDOH 0045
23. e)	RIDOH 0046
23. f)	RIDOH 0047
23. g)	RIDOH 0049
23. h)	RIDOH 0050
24.	RIDOH 0052
25.	RIDOH 0053
26.	RIDOH 0056
27.	RIDOH 0057

APPENDIX A..... RIDOH 0058
APPENDIX B..... RIDOH 0062
APPENDIX C..... RIDOH 0063
APPENDIX D..... RIDOH 0064

EXHIBIT 2 - Organizational Documents and Draft Revisions ..... RIDOH 0070
EXHIBIT 3 - Members of the Boards..... RIDOH 0480
EXHIBIT 8(A) - Conflict of Interest Policies ..... RIDOH 0559
EXHIBIT 9 - Financial Statements..... RIDOH 0611
EXHIBIT 10 - Reports re: Proposed Conversion ..... RIDOH 0960
EXHIBIT 15 - Affiliation Agreement..... RIDOH 0970
EXHIBIT 17 - Licensure or Certification Citations ..... RIDOH 1042
EXHIBIT 18 - Pending/Adjudicated Citations..... RIDOH 1043
EXHIBIT 19 - Investigations..... RIDOH 1045
EXHIBIT 23(a) - Community Services..... RIDOH 1048
EXHIBIT 23(b) - Charity Care Policy ..... RIDOH 1049
EXHIBIT 24 - IRS Forms 990 H..... RIDOH 1055

A

INFORMATION OF TRANSACTING PARTIES AND AFFILIATED HOSPITALS

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

Care New England Health System

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

Southeastern Healthcare System, Inc.

Name: **Arthur J. DeBlois, III, Interim President/CEO**	Telephone: **(401) 729-2383**	
Address: **111 Brewster Street, Pawtucket**	State: **RI**	Zip: **02863**
E-mail: **arthur_deblois@mhri.org**	Fax **(401) 729-2066**	

The Memorial Hospital d/b/a Memorial Hospital of Rhode Island

Name: **Arthur J. DeBlois, III, Interim President/CEO**	Telephone: **(401) 729-2383**	
Address: **111 Brewster Street, Pawtucket**	State: **RI**	Zip: **02863**
E-mail: **arthur_deblois@mhri.org**	Fax **(401) 729-2066**	

B

B. Name, title, address, phone, fax and e-mail of one contact person for each Transacting Party for this application process (only if different from the President/CEO in Question 2). (Please replicate as needed):

Care New England Health System

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

Southeastern Healthcare System, Inc.
The Memorial Hospital d/b/a Memorial Hospital of Rhode Island

Name: **Kimberly I. McCarthy, Esq.**	Telephone: **(401) 861-8256**	
Address: **Partridge Snow & Hahn LLP** **180 South Main Street, Providence**	State: **RI**	Zip: **02903**
E-mail: **kim@psh.com**	Fax **(401) 861-8210**	

C

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

Name of Hospital: **Butler Hospital**	License #: **00124**	
Address: **345 Blackstone Boulevard, Providence**	State: **RI**	Zip: **02906**
Telephone: **(401) 455-6200**		
E-mail of President or CEO: **precupero@butler.org**		
Relationship of Hospital to Transacting Party: **Care New England Health System is the sole corporate member**		

Name of Hospital: **Kent Hospital**	License #: **00125**	
Address: **455 Toll Gate Road, Warwick**	State: **RI**	Zip: **02886**
Telephone: **(401) 737-7010 x31200**		
E-mail of President or CEO: **scoletta@kentri.org**		
Relationship of Hospital to Transacting Party: **Care New England Health System is the sole corporate member**		

Name of Hospital: **Women & Infants Hospital of Rhode Island**	License #: **00126**	
Address: **101 Dudley Street, Providence**	State: **RI**	Zip: **02905**
Telephone: **(401) 274-1122 x1103**		
E-mail of President or CEO: **chowes@wihri.org**		
Relationship of Hospital to Transacting Party: **Care New England Health System is the sole corporate member of Women & Infants Corporation, which is the sole corporate member of Women & Infants Hospital of Rhode Island**		

Name of Hospital: **The Memorial Hospital d/b/a Memorial Hospital of Rhode Island**	License #: **00128**	
Address: **111 Brewster Street, Pawtucket**	State: **RI**	Zip: **02863**
Telephone: **(401) 729-2383**		
Email of President or CEO: **arthur_deblois@mhri.org**		
Relationship of Hospital to Transacting Party: **Southeastern Healthcare System, Inc. is the sole corporate member**		

INITIAL APPLICATION QUESTIONS

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

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. CNE is tax-exempt under section 501(c)(3) of the Internal Revenue Code.

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, comprised of 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"). It is tax-exempt under section 501(c)(3) of the Internal Revenue Code. MHRI has been determined to be a financially distressed hospital by the Director of Health.

To implement the conversion (the "Affiliation"), CNE will become the sole corporate member of MHRI Parent and MHRI Parent and MHRI will cause their respective governing bodies to be comprised of the individuals who from time to time serve as members of the CNE Board of Directors. CNE's Board of Directors will be expanded to include three individuals nominated by MHRI and elected by the CNE Board of Directors. In addition, 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 separate licensed hospital with access to the same centralized corporate services as CNE provides to the other hospitals in the CNE system.

The Affiliation will occur within 72 hours following the satisfaction of all of the conditions to closing as set forth in the Affiliation Agreement by and among CNE, MHRI Parent, and MHRI, dated as of January 2, 2013 (the "Affiliation Agreement"), which conditions include obtaining all material consents, authorizations, orders, and approvals of governmental entities or other parties required to perform the Affiliation Agreement. The parties anticipate that the closing of the Affiliation will occur on or about July 1, 2013.

No cash or similar financial consideration will be paid at the closing of the Affiliation (the "Closing"). 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. CNE has a relatively low debt position, and current projections indicate that implementing the Affiliation will not cause CNE to fall out of compliance with CNE's existing financial covenants. CNE has cash on hand adequate to absorb the anticipated operating shortfall of MHRI.

The Transacting Parties are studying how best to configure their services in the new combined system and anticipate that investigation will create new opportunities for integration. At this juncture, however, the Transacting Parties have not finalized plans to implement specific additional services or facilities.

2. Please provide each of the following applicable documents and amendments for each of the Transacting Parties and affiliated hospital(s):

(a) Charter;

(b) Certificate and Articles of Incorporation and By-laws;

(c) Certificate of Partnership and Partnership Agreement;

(d) Certificates or Articles of Organization and Operating Agreement;

(e) Other organizational documents

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

See Exhibit 2 for the current organizational documents for each of the Transacting Parties and their affiliated hospitals, as well as the proposed draft revisions to the organizational documents for CNE, MHRI, and MHRI Parent.

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

See Exhibit 3 for 3(a), (d), and (e), and see Confidential Exhibit 3 for 3(a) – (e) (where the exhibits indicate "N/A", there are no individuals holding those positions). Harbor Group Home, LLC had no executives or managers but rather was a member-managed limited liability company under Rhode Island law. Though currently dissolved, the former members of Harbor Group Home, LLC are provided in response to Question 6(B).

4. Provide the (a) name; (b) address; (c) phone number; and (d) occupation of the proposed members of the board of directors, trustees, executives and senior managers after the conversion of the Transacting Parties and their affiliates, identifying any additional members or removal of members.

See Exhibit 3 (for 4(a), (d), and (e)) and see Confidential Exhibit 3 (for 4(a) – (e)) for current directors, executives and senior managers of CNE, Butler, Kent and WIH.

After the conversion: (a) those individuals currently serving as directors, executives and senior managers of CNE, Butler, Kent and WIH will continue to serve in their respective positions; (b) three individuals nominated by MHRI and approved by CNE will serve as "At-Large Directors" on the governing boards of the Transacting Parties and their hospital affiliates; and (c) the President of the MHRI medical staff will serve as an "Ex-Officio Director" on the governing boards of the Transacting Parties and their hospital affiliates.

The individuals proposed to serve as At-Large Directors and the Ex-Officio Director after the conversion have not yet been determined. Changes, if any, among the executives and senior managers at MHRI and MHRI Parent after the conversion have not yet been determined.

5. Please describe the governance structure of the new hospital after conversion, including a description of how members of any board of directors, trustees or similar type group will be chosen.

CNE will become the sole corporate member of MHRI Parent, making CNE the corporate parent of all of the entities within the Memorial system, including MHRI, but otherwise leaving their existing corporate structure intact. CNE, directly or indirectly, will hold reserved powers over MHRI, MHRI Parent and its affiliates.

The members of the MHRI Parent's and MHRI's Board of Trustees will be comprised of those individuals who from time to time serve as members of the CNE Board, and MHRI Parent's and MHRI's officers will be identical to the CNE officers. The CNE Board will be expanded to include four additional members, including three "At-Large Directors" nominated by MHRI and approved by CNE, and one "Ex-Officio Director," the President of the MHRI Medical Staff. 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. The "At-Large Directors" will serve on the CNE Board for terms commencing on the date of the closing of the Affiliation (the "Closing Date") and ending on the date of the first annual meeting of the CNE Board following the third anniversary of the Closing Date, or until their earlier death, resignation or removal. If, during the period following the Closing Date and prior to the first annual meeting following the third anniversary of the Closing Date, an At-Large Director dies. resigns or is removed from the CNE Board, his or her successor will 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 will serve for the unexpired portion or his or her predecessor's existing term.

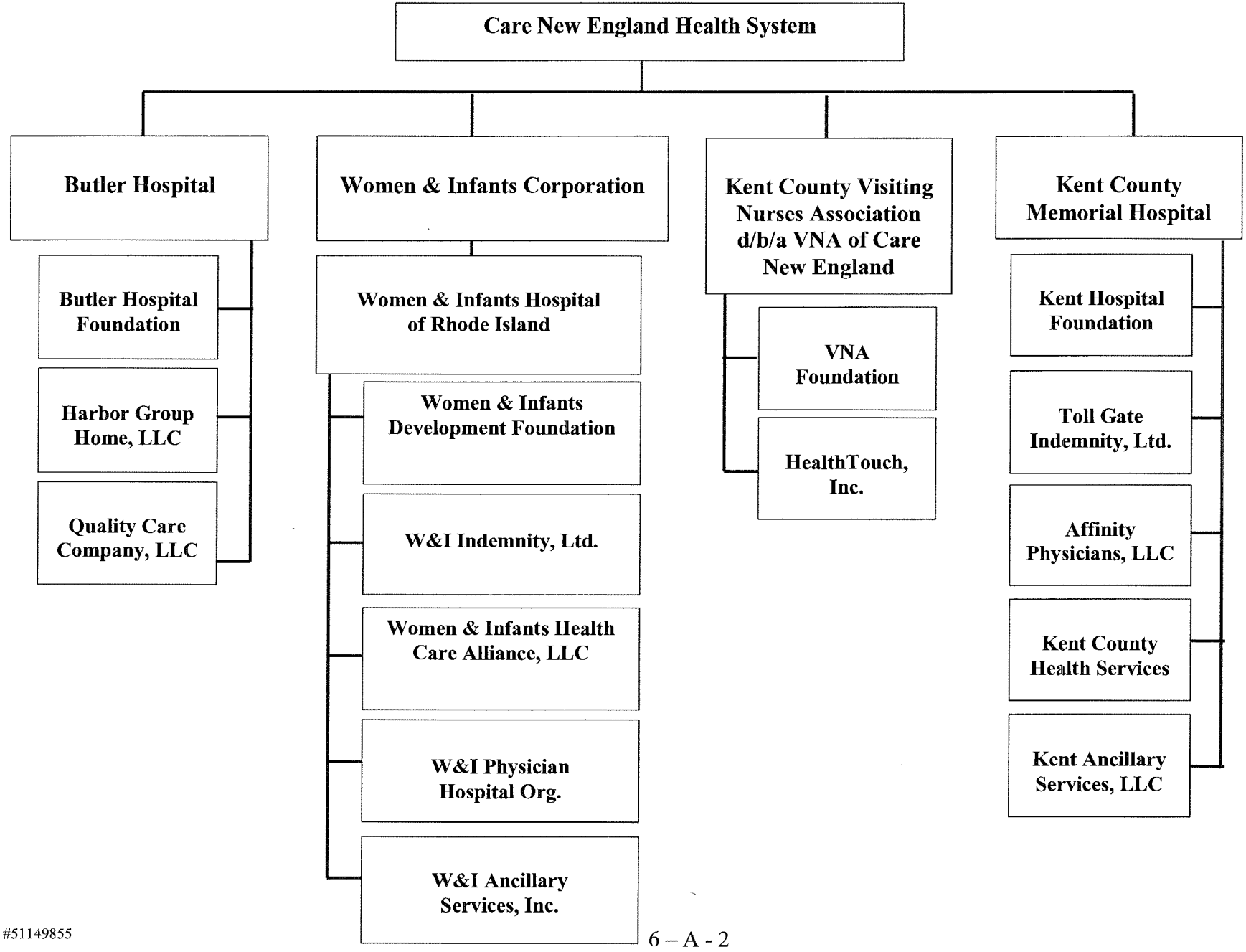
CNE, MHRI Parent and MHRI will amend and restate their governing documents to reflect the changes contemplated above. Individuals who formerly served on the MHRI Parent or MHRI Board of Trustees will be eligible to participate on certain CNE committees. All appointees to the CNE system committees shall be based on individual interest, skills and experience and will 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 will have the same terms, and will be subject to the same term limits as other similarly-situated members of the applicable CNE system committee. Each of the foregoing individuals also will be subject to the same standards of conduct and policies as other individuals serving on the applicable CNE system committee.

A

6. (A) Please provide organizational charts for the existing and post-conversion Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

CARE NEW ENGLAND

PRE-AFFILIATION

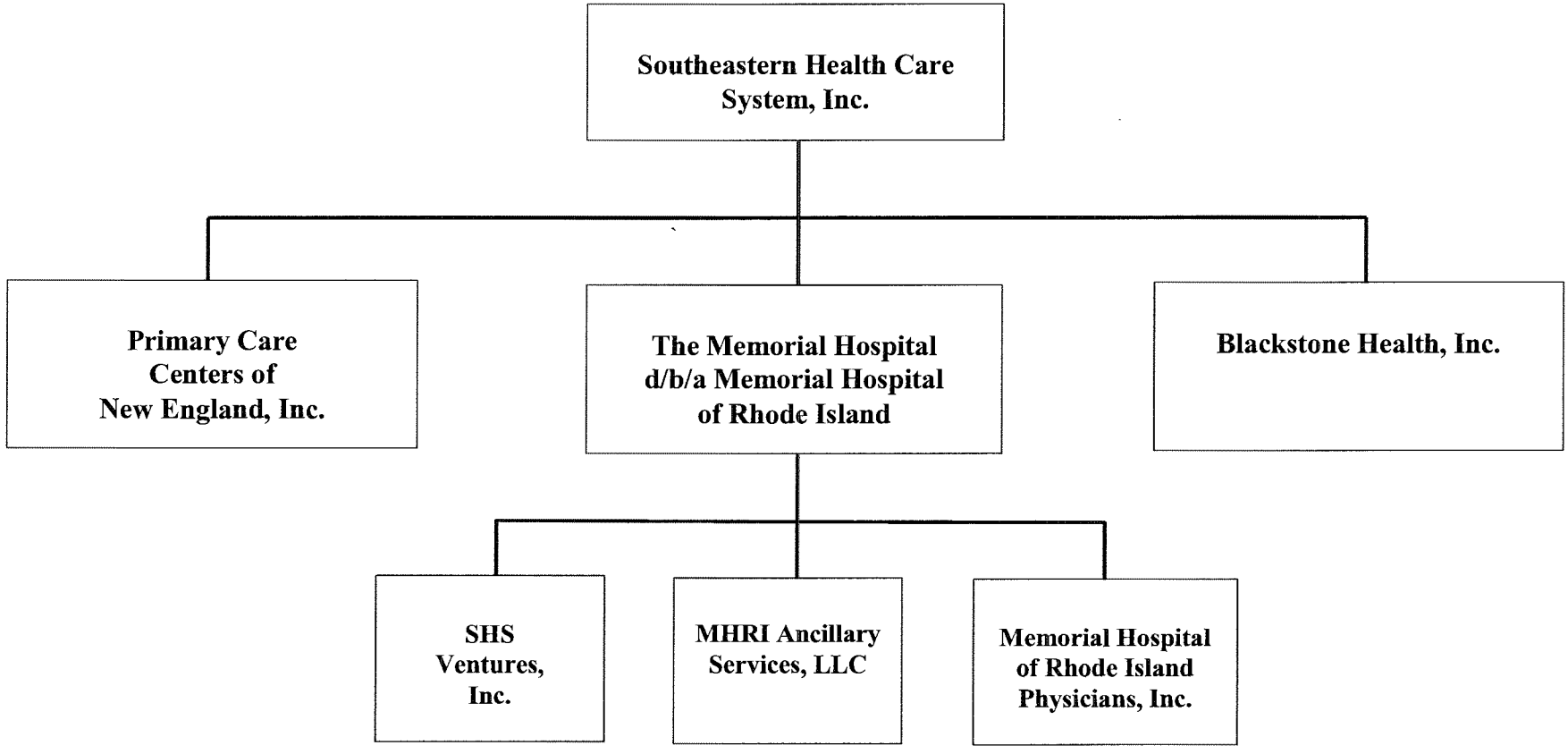


#51149855

RIDOH 0013

MHRI PARENT / MHRI

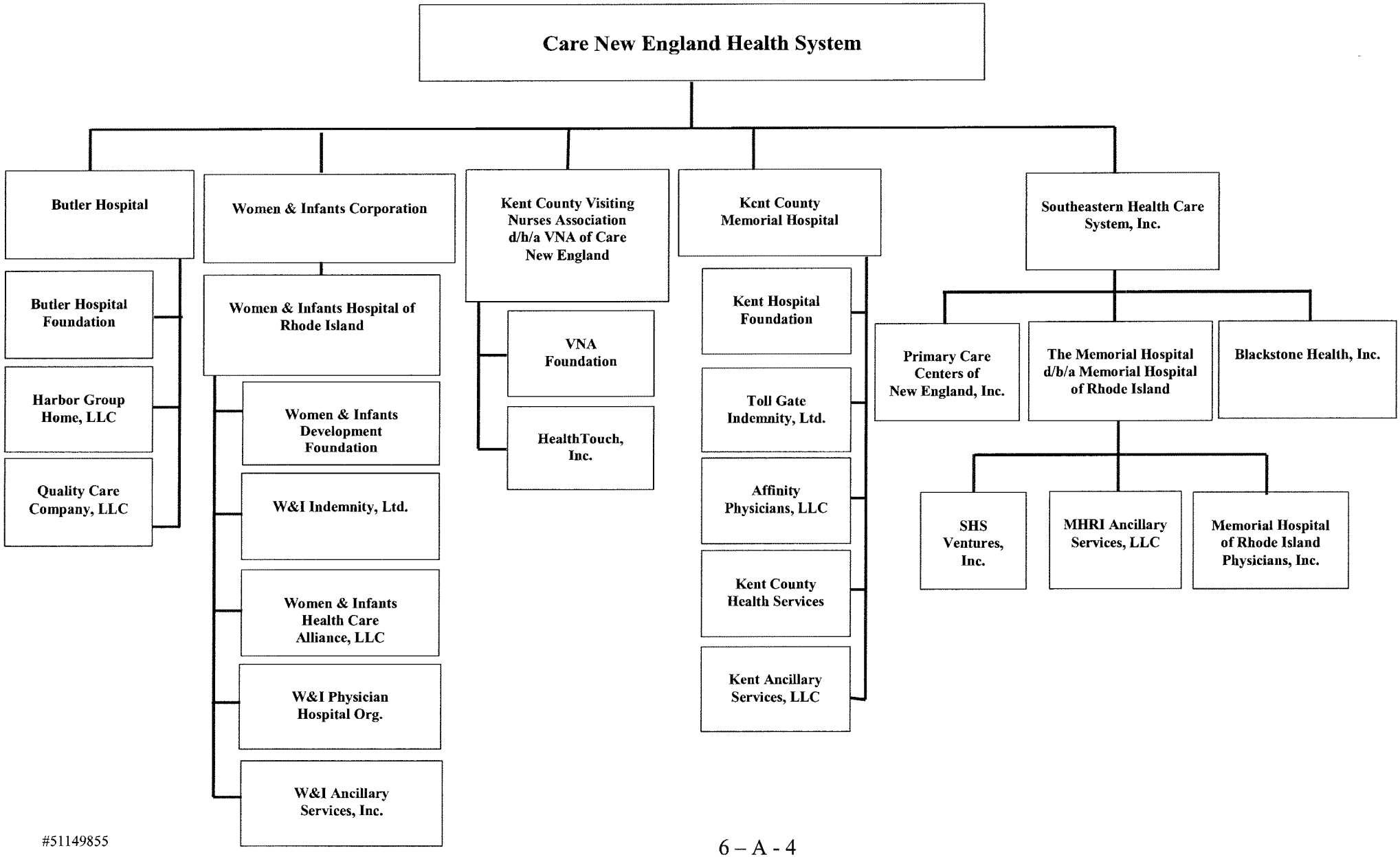
PRE-AFFILIATION



RIDOH 0014

CARE NEW ENGLAND

POST-AFFILIATION



#51149855

RIDOH 0015

B

6. (B) Please provide a detailed narrative that describes the organizational structure for the Transacting Parties and each partner, affiliate, parent, subsidiary or related legal entity in which either Transacting Party has a twenty percent (20%) or greater ownership or membership interest or control.

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

MHRI Parent is the sole corporate member of MHRI, Primary Care Centers of New England, Inc., and Blackstone Health, Inc. MHRI is the sole corporate member of SHS Ventures, Inc., and these organizations have mirror boards. MHRI is the sole hospital member of Memorial Hospital of Rhode Island Physicians, Inc. ("MHRI Physicians"), designates 6 of 11 Director slots for the MHRI Physicians Board of Directors, and is entitled to a 50% vote in all matters relating to MHRI Physicians, with veto power over certain votes (including corporate restructurings such as the Affiliation and amendment of the articles of incorporation or bylaws of MHRI Physicians).

Each of the hospital affiliates of the Transacting Parties has control over or a twenty percent (20%) or greater ownership or membership interest in certain other associated entities that provide and support health care and health care-related services.

Butler Hospital Foundation is a Rhode Island not-for-profit corporation organized to serve the health needs and improve the behavioral status of individuals, and to engage in such activities as will further the clinical, education and research purpose of Butler, the Butler Hospital Foundation's sole member. While Butler Hospital Foundation's primary purpose is to provide Butler with unparalleled philanthropic support, the role of the members of the Butler Hospital Foundation also includes acting as ambassadors for Butler.

Harbor Group Home, LLC ("HGH LLC") was organized as a limited liability company on January 24, 2001. Pursuant to HGH LLC's governing documents, HGH LLC was organized for a limited purpose relating to a specific parcel of land on the Butler campus. Prior to August 12, 2012, Butler held a 1% membership interest in HGH LLC and BGH Group Home LLC held a 99% membership interest in HGH LLC. On August 12, 2012, the ground lease related to the specific parcel of land was assigned to and assumed by Butler. As of such date, HGH LLC is deemed to have been dissolved pursuant to R.I.G.L. § 7-16-39(2).

Quality Care Company, LLC ("QCC") is a Rhode Island limited liability company organized to provide a vehicle through which its members could consolidate their efforts and provide its members with the opportunity to bid for and provide

coordinated and comprehensive child and family-centered services. Initially there were eight members of QCC, including Butler, with each member owning a 12.5% membership interest. In 2011, South Shore Mental Health Center, Inc. (one of the original eight members) was placed in disassociated member status. The current members of QCC are: Butler, Harmony Hill School Incorporated (Chepachet, RI), Newport County Community Mental Health Center, Inc. (Middletown, RI), Family Service, Inc. (Providence, RI), Kent County Mental Health Center, Inc. (Warwick, RI), Saint Mary's Home for Children, Inc. (Centerdale, RI) and Spurwink/RI (Cranston, RI). Currently, Butler holds a twelve and one-half percent (12.5%) membership interest in QCC.

Women & Infants Development Foundation is a Rhode Island not-for-profit corporation organized to further the mission of WIH. Women & Infants Corporation is the Women & Infants Development Foundation's sole corporate member. While Women & Infants Development Foundation's primary purpose is to provide WIH with unparalleled philanthropic support, the role of the members of Women & Infants Development Foundation also includes acting as ambassadors for WIH.

W&I Indemnity, Ltd. ("W&I Indemnity") is an offshore captive insurance company located in the Cayman Islands, established in 1994 and wholly owned by WIH. W&I Indemnity provides indemnity coverage for WIH's professional liability risk and Butler's excess professional liability risk. W&I Indemnity also serves as the funding vehicle for WIH's professional liability indemnification program offered to qualified community faculty physicians (voluntary physicians) affiliated with WIH who wish to participate. The voluntary physician program is offered pursuant to a Rhode Island statute (RIGL § 27-16-2.6) that permits a hospital affiliated with an accredited medical school to indemnify physicians for professional liability claims. WIH charges physicians for indemnification coverage, and W&I Indemnity maintains the reserve fund required in connection with offering an indemnification program pursuant to RIGL § 27-16-2.6.

Women & Infants Health Care Alliance, LLC (the "Alliance") is a Rhode Island limited liability company of which WIH is the sole member. The Alliance was developed to assist in physician retention in the community, create an improved ability for recruitment, develop a method to integrate physicians with CNE and place CNE in a position to address regional market changes and health reform imperatives. The Alliance consists of community-based ob/gyn physicians who are employed by the Alliance but continue to manage, operate and own the assets of their former private practice under a practice support services agreement with WIH.

Women & Infants Physician Hospital Organization, Inc. ("WIH PHO") is a Rhode Island corporation. WIH is the sole holder of Class B Common Stock of WIH PHO. The sole holder of Class A Common Stock of WIH PHO is Perinatal and Gynecological Services, Inc., a Rhode Island non-profit corporation and

independent practice association. WIH PHO was formed to (i) improve the quality of, and access to, medical care available to individuals residing in Southeastern New England, including Southeastern Massachusetts, (ii) encourage and enable physicians to offer needed specialty services in Southeastern New England and improve the health and welfare of all persons, and (iii) sponsor, develop, offer and promote, services and programs which are charitable, educational and/or scientific and which address the physical and mental needs of the community at-large. WIH PHO does not employ physicians; rather Perinatal and Gynecological Services, Inc. maintains relationships with physicians.

Women & Infants' Ancillary Services, Inc. is a Rhode Island limited liability company of which WIH is the sole member. Women & Infants' Ancillary Services operates lab drawing stations in furtherance, and to carry out and support the purposes, of WIH.

VNA Foundation is a Rhode Island not-for-profit corporation organized to serve the health needs and improve the health status of individuals and to engage in such activities as will further the clinical purposes of VNA of Care New England, the sole corporate member. While VNA Foundation's primary purpose is to provide the VNA of Care New England with unparalleled philanthropic support, the role of the members of VNA Foundation also includes acting as ambassadors for the VNA of Care New England.

HealthTouch, Inc., is a Rhode Island not-for-profit corporation of which the VNA of Care New England is the sole member. HealthTouch is a private duty nursing service located in Wakefield, Rhode Island that assists the VNA of Care New England to provide a full-continuum of in-home services, as well as community-based wellness and health promotion services and private care services (via HealthTouch) which will allow these services to be provided throughout the State of Rhode Island. HealthTouch holds a Home Nursing Care Provider license.

Kent Hospital Foundation is a Rhode Island not-for-profit corporation that was formed to further the mission of Kent, the sole corporate member. While Kent Hospital Foundation's primary purpose is to provide Kent with unparalleled philanthropic support, the role of the members of Kent Hospital Foundation also includes acting as ambassadors for Kent.

Toll Gate Indemnity, Ltd. ("Toll Gate") is an offshore captive insurance company located in the Cayman Islands, established in 2004 and wholly owned by Kent. Toll Gate provides indemnity coverage for Kent's and certain wholly-owned hospital affiliates' professional and general liability risk. Toll Gate also serves as the funding vehicle for Kent's professional liability indemnification program offered to qualified community faculty physicians (voluntary physicians) affiliated with Kent who wish to participate. The voluntary physician program is offered pursuant to a Rhode Island statute (RIGL § 27-16-2.6) that permits a hospital affiliated with an accredited medical school to indemnify physicians for professional liability claims.

Kent charges physicians for indemnification coverage, and Toll Gate maintains the reserve fund required in connection with offering an indemnification program pursuant to RIGL § 27-16-2.6.

Affinity Physicians, LLC ("Affinity") is a Rhode Island limited liability company of which Kent is the sole member. Affinity was developed by CNE to assist in physician retention in the community, create an improved ability for recruitment, develop a method to integrate physicians with CNE and place CNE in a position to address regional market changes and health reform imperatives. Affinity consists of physicians practicing in multiple specialties which allows Affinity to address the needs of the community with physicians that specialize in general surgery, vascular surgery, thoracic surgery, primary care, in-patient hospitalist medicine, emergency medicine, wound/hyperbaric medicine and, most recently, cardiology. Additionally, the physician members of Affinity provide supervision and education for Kent's residency training programs in family medicine, internal medicine and emergency medicine. Affinity does not directly employ physicians. Currently, those physicians who provide services on behalf of Affinity do so either as leased employees (physicians who are leased to Affinity by Kent) or through a professional services arrangement.

Kent County Health Services, Inc. ("KCHS") is a Rhode Island not-for profit corporation the purpose of which is to arrange for the delivery of healthcare through contracts with third party payors. KCHS is the physician hospital organization for Kent. There are two classes of members, the Corporate Member (Kent, holding a 50% equity interest) and the Practitioner Members (collectively, holding a 50% equity interest). The Practitioner Members participate in the physician hospital organization through a Participation Agreement.

Kent Ancillary Services, LLC is a Rhode Island limited liability company of which Kent is the sole member. Kent Ancillary Services operates lab drawing stations in furtherance, and to carry out and support the purposes, of Kent.

Primary Care Centers of New England, Inc., wholly owned by MHRI Parent, provides quality primary care services as well as ancillary services in the areas of radiology, laboratory, and physical and occupational medicine at its Plainville, Massachusetts location. Originally established with Harvard Pilgrim Health as a joint venture, MHRI Parent became the sole owner of Primary Care Centers of New England, Inc. when Harvard Pilgrim ceased operations.

SHS Ventures, Inc. is a Massachusetts nonprofit corporation the sole member of which is MHRI Parent and which was formed to employ licensed professionals at the Plainville, Massachusetts location of Primary Care Centers of New England, and to provide management and related services to that facility.

Blackstone Health, Inc. ("BHI") is a non-profit corporation the sole member of which is MHRI Parent and which was organized to provide community based

health services that are responsive to the needs and demographic makeup of the Blackstone Valley community and other communities. In furtherance of such purpose, BHI operates 15 meal sites and an adult day-care center, providing nursing, case management, therapeutic recreation, and daily living services for the benefit and welfare of elderly and disabled residents of the communities it serves. BHI has a food service license (FSV05752) and the adult day care center which it operates under the name "New Horizons Adult Day Center" has an adult day care center license (ADC00013).

MHRI Physicians, for which MHRI serves as the hospital member, is a non-profit corporation which operates the physician hospital organization at MHRI, which was created as a provider partnership between MHRI and its affiliated physicians to implement an integrated management services organization at MHRI for its physician services. MHRI Physicians arranges for the delivery and provision of health care services through independent contracts with physicians, hospitals, other health care providers, and third party payers.

MHRI is the sole member of MHRI Ancillary Services, LLC, a Rhode Island limited liability company ("MAS") that was formed in 2010 to provide off-site phlebotomy services. MAS currently holds no assets and has no employees. MAS has no operating agreement to govern its affairs. Currently, MAS contracts with MHRI to operate one off-site phlebotomy location.

7. Please provide all documents, reports, meeting minutes and presentations relevant to the Transacting Parties' board of directors' decision to propose the conversion.

See Confidential Exhibit 7, which includes all meeting minutes of the Transacting Parties' boards of directors, including all board committees and sub-committees, relevant to the decision to propose the conversion. See also Exhibit 10 (Documents 10-A and 10-B) and Confidential Exhibit 10 (Documents 10-C through 10-H).

A

8. (A) Please provide conflict of interest policies and procedures.

Please see Exhibit 8(A) for CNE's Conflicts of Interest and Confidentiality Policy, Compliance Program and Code of Conduct. Following the Affiliation, these policies will be applicable to MHRI as a member of the CNE System.

B

8. (B) Please provide current, signed conflict of interest forms from all incumbent or recently incumbent officers, members of the board of directors, trustees or senior managers of the Transacting Parties. (Please note that "incumbent or recently incumbent" means those individuals holding the position at the time the application is submitted and any individual who held a similar position within one year prior to the application's acceptance).

See Confidential Exhibit 8(B).

9. Please provide copies of audited income statements, balance sheets, and other financial statements for the past 3 years for the Transacting Parties and their affiliated hospitals where appropriate and to the extent they have been made public, audited interim financial statements and income statements together with detailed descriptions of the financing structure of the proposed conversion including equity contribution, debt restructuring, stock issuance and partnership interests; and interim up-to-date unaudited income statements and balance sheets (where audited financial statements are unavailable).

See Exhibit 9. No cash or similar financial consideration will be paid at the Closing. 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.

CNE has a relatively low debt position, and current projections indicate that implementing the Affiliation will not cause CNE to fall out of compliance with CNE's existing financial covenants. CNE has cash on hand adequate to absorb the anticipated operating shortfall of MHRI.

MHRI Parent anticipates that its audited consolidated financial statements for the year ended September 30, 2012 will be available by April 15, 2013.

10. Please provide copies of reports analyzing the proposed conversion by any of the Transacting Parties during the past 3 years, including but not limited to, reports by appraisers, accountants, investment bankers, actuaries, other experts.

See Exhibit 10 (Documents 10-A and 10-B) and Confidential Exhibit 10 (Confidential Documents 10-C through 10-H).

11 Please provide copies of all documents related to:

(a) Identification of all charitable assets;

(b) Accounting of all charitable assets for the past 3 years; and

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

In response to Questions 11(a) and 11(b), please see Confidential Exhibit 11. The Transacting Parties understand that the Department desires information on (at minimum) all assets of MHRI and MHRI Parent identified in the consolidated financial statements of MHRI Parent as limited as to use, which is a larger pool than the pool of charitable assets of MHRI. With respect to assets limited as to use, the Transacting Parties identify and accounted for those assets as follows.

Gifts to MHRI which are not limited in use (either with an income restriction or a purpose restriction) and which MHRI treats as available for investment or general operations, in its discretion, generally are referred to as "Unrestricted Endowment Funds." See spreadsheets identifying and accounting for those funds over the past 3 years attached as Confidential Exhibit 11.

Gifts to MHRI which are limited in use through an income restriction and/or a purpose restriction are generally referred to as "Restricted Endowment Funds." The principal amounts of those funds are retained and invested, and the income is used as required by the governing instrument, which (generally) is for general hospital purposes. Most of the Restricted Endowment Funds are invested in the MHRI endowment, as indicated on the spreadsheets attached as Confidential Exhibit 11, which identify and account for those funds over the past 3 years. There are five Restricted Endowment Funds which are maintained in outside trust accounts: the Law, Preston, Richardson, Sayles, and Wood funds.

MHRI voluntarily restricts the use of some otherwise unrestricted funds, fundraising-generated funds, and income from other sources (such as physician stipends, grant funding of projects, and similar non-charitable income) to specific purposes, most often at the request of MHRI staff. These funds, which are subject to ethical, but not legally-enforceable, restrictions on use, generally are referred to as "Temporary Fund Balances" or "Board Restricted Funds." Spreadsheets identifying and accounting for those funds over the past 3 years are attached as Confidential Exhibit 11.

MHRI at one time had a so-called "free bed" program, under which individuals donated a set amount to provide a "free bed" at the hospital, often in memory of a loved one. Many "free bed" donations were recognized with plaques. The "free bed" program, now closed, was most popular between the 1920s and 1950s and

generated about $400,000 of donations during its existence. MHRI has used these funds to offset the free hospital services it provides (including several million dollars per year in charity care), in addition to numerous other services provided to the community at no charge (including language interpretation, physician referral, community health screenings, health and wellness education, and support groups).

In response to Question 11(c), all charitable assets which are Restricted Endowment Funds will be retained by MHRI post-closing and used for the purposes required by the donor (for the most part, for general hospital purposes of MHRI).

Similarly, all Temporary Fund Balances and similar assets which are subject to ethical, but not legally-enforceable, restrictions on use, will be retained by MHRI post-closing and used for the specific purposes for which they were donated and/or to which they are dedicated by MHRI.

To the extent that any Board Designated Funds (as defined in the Affiliation Agreement) remain unspent as of the closing, they will be used as the initial capital to fund the MHRI Foundation.

It is not anticipated that any Unrestricted Endowment Funds will be available post-closing, since these funds have been used to address current operating deficits of MHRI, and it is anticipated that similar shortfalls will continue through the closing date.

12. Please provide descriptions of the plan(s) as to how the affiliated hospitals will provide consolidated healthcare services and administrative services during the first 3 years following the conversion.

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. Among CNE's key considerations in pursuing the Affiliation are bringing together strong multi-specialty medical providers with MHRI's leading family and internal medicine practices, growing and strengthening academics and research programs, and enhancing the affiliation with Brown University. 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.

CNE and MHRI are studying how best to configure their services in the new combined system. Although the parties anticipate that there will be consolidation at a single site of some services that are currently provided at both a CNE hospital and MHRI, the parties do not envision eliminating any clinical service that the two parties to the conversion presently offer. Consolidation of services will only occur when doing so makes clinical and operational sense.

For example, CNE anticipates that following the Affiliation, MHRI will be CNE's primary academic teaching base for Brown University with respect to the primary care specialties of family medicine and internal medicine.

CNE also intends to incorporate MHRI into CNE's electronic medical record system.

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.

See also Confidential Exhibit 10.

13. Please provide copies of plans relative to staffing levels of all categories of employees during the first 3 years at the new hospital(s) following the implementation of the proposed conversion. Please, further, complete Appendix A 1.

See Confidential Exhibit 10.

14. Please complete Appendix D regarding plans for all hospital departments or services that will be eliminated, or significantly reduced at the new hospital during the first 3 years at the new hospital(s) following the implementation of the proposed conversion.

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.

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. 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. See also Appendix D.

15. Please provide the binding transaction documents, such as an asset purchase/transfer agreement, affiliation agreement and/or memorandum of understanding and all exhibits and schedules (including any updates or supplements).

See Exhibit 15.

16. Please discuss whether this proposal will require the review by any relevant federal authority and, if so, please identify such review(s) and provide its current status.

The proposed Affiliation is reportable under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, 15 U.S.C. § 18a (the "HSR Act") and therefore requires the filing of a Hart-Scott-Rodino filing with the Federal Trade Commission and the United States Department of Justice. The parties submitted a Hart-Scott-Rodino filing with the Federal Trade Commission and the United States Department of Justice effective as of January 22, 2013. The Federal Trade Commission granted early termination of the statutory waiting period under the HSR Act as of 10:44 am on February 14, 2013.

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

See Exhibit 17.

18. Please provide a list of pending or adjudicated citations, violations or charges against the Transacting Parties 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 18.

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

See Exhibit 19.

20. Please describe in detail any plans for cross-privileging of medical staff affiliated with either of the Transacting Parties and their affiliates before and after the proposed conversion.

The Transacting Parties do not intend that there will be cross-privileging of medical staff either before or after the Affiliation.

21. Please provide a description of the plan as to how the Transacting Parties and their affiliates will provide community benefits during the first 3 years of operation after the proposed transaction is completed.

As non-profit institutions, the Transacting Parties and their affiliate hospitals exist to continually improve the health and well-being of the people and communities of southeastern New England. To that end, the Transacting Parties and their affiliate hospitals provide a wide range of distinctive programs and services to ensure a high-quality continuum of care.

Both MHRI and 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.

Each of the CNE hospitals and MHRI have a history of providing community benefits, whether measured in terms of jobs, income and business activities or in terms of their implementation, support and management of charity care programs, public education services, health fairs, screenings or other collaborations with community leaders to improve public health and the quality of life of community residents.

CNE offers robust health information on its websites and through its publications and public outreach campaigns on important health issues.

Butler provides space for community support groups and offers a variety of free health screenings and education programs. The Butler Hospital Patient/Family Education Center, developed in association with the Alliance for the Mentally Ill and the Manic Depressive and Depressive Illness Association, provides free information on behavioral disorders, substance abuse, and other medical issues. Butler also supports on-line mental health screenings for depression, bipolar disorder, generalized anxiety disorder, post-traumatic stress disorder, and substance abuse.

Apart from direct patient care, Kent is actively involved in educating the community, with an array of programs and services. Kent sponsors a number of important health events throughout the year, including free breast and skin cancer screenings. Kent is also an active participant in the statewide mentor program, statewide stroke conference, emergency management conference, and wound care and hyperbaric medicine conference.

WIH offers a robust array of community services aimed at improving maternal and child health and the general well-being of women and their families throughout the region. WIH operates Centers for Health Education in Woonsocket, East Greenwich, and South Kingstown, Rhode Island, and North Attleboro and Swansea, Massachusetts. These Centers house lending libraries and offer a wide

range of educational programs and events. WIH also sponsors telephone support lines – the HealthLine and WarmLine – as free community services, which provide advice and resource information by registered nurses on women's health, pregnancy and postpartum issues, breastfeeding support and newborn care. WIH runs a variety of support groups for women, families, and new mothers, as well as groups focusing on pregnancy loss support, breast cancer support, gynecological cancer support, and Crohn's disease and colitis support, among others. WIH provides a number of intervention services which seek to improve maternal and child health, including Project Link, which provides a comprehensive safety net of medical and social services for pregnant and parenting women affected by substance abuse issues, and the Family Van, a mobile health center that provides a constellation of educational and primary care services to the community's underserved patient population.

MHRI's mission calls for the continual assessment of its communities' unique needs, collaborating with others, and providing the leadership necessary to create real and lasting solutions to real and imminent health care issues. As a community hospital, MHRI has a long history of reaching out beyond the hospital corridors to offer programs and services that fulfill its commitment to the communities it serves, ultimately leading to a healthier, safer state. Through this history, MHRI and its physicians have significant experience and expertise in working with underserved populations, providing high quality, culturally-sensitive care for a diverse population. This includes its current primary care outreach efforts in Pawtucket (New Horizons – Adult Day Center) and Plainfield, Massachusetts (Southeastern Medical Center). It also includes the Notre Dame Ambulatory Care Center, located in Central Falls, which provides a much-needed community benefit by offering primary and urgent care services from bi-lingual physicians during hours that are convenient to patients, including weekends and evenings. Services offered include primary and urgent care, x-rays, blood work, mammograms, women's cancer screenings, a pain center, and physical, occupational and speech therapy, as well as assisting patients in accessing outside referrals. MHRI's Faculty Development Leadership Fellowship provides family physicians with the skills and resources to be visionary leaders in primary care practice and education. The Faculty Development Leadership Fellowship focuses on leadership, quality improvement, systems redesign, care of vulnerable populations, cultural competence and evidence based management of chronic conditions. MHRI intends that the Faculty Development Leadership Fellowship will provide a community benefit by training proactive, altruistic leaders who will work to optimize chronic illness care and to reduce barriers to health care access and quality. CNE and MHRI expect that the support MHRI receives through the Affiliation will allow MHRI to maintain and expand upon these efforts to enhance community benefits.

CNE has formed an Academic Council to create a forum for cooperation and collaboration to advance its academic mission. The incorporation of MHRI and MHRI's academic leaders to CNE's Academic Council will enhance both CNE's and the community's academic interests, including with respect to CNE's academic affiliation with Brown University. All of the hospitals are actively engaged in educating and training the next generation of physicians and other health care

providers, as well as participating in the development of new medical knowledge through research.

The foregoing are examples of ways in which MHRI and CNE and it hospitals have delivered community benefits. MHRI's own assessment will be expected to build upon its current primary care outreach efforts in the Pawtucket, Rhode Island (New Horizons – Adult Day Center), Central Falls, Rhode Island (Notre Dame Ambulatory Center) and Plainfield, Massachusetts (Southeastern Medical Center) communities it serves.

22. Please identify whether or not the JCAHO accreditation is currently in good standing for each of the Transacting Parties and each of their affiliate hospital(s). If not, then please discuss in detail the reasons and provide copy of the JCAHO survey.

The Transacting Parties are not accredited by the Joint Commission because they do not directly provide healthcare. The Joint Commission accreditations of each of their affiliate hospitals (Butler, Kent, WIH, and MHRI) are in good standing.

A

23. Please provide detailed information and documentation sufficient to demonstrate the following:

a) that the character, commitment, competence, and standing in the community, or any other communities served by the proposed Transacting Parties are satisfactory;

CNE and MHRI have continually worked to assess community needs and respond accordingly with needed programs and interventions, and have worked to improve public health and the quality of life for the state and region. This is manifested in multiple ways, including staff involvement in community organizations, the role both MHRI and CNE plays as educators for those aspiring to careers in health, the sponsorship of community events, and the rich array of classes and programs at CNE's institutions. MHRI and all of the CNE hospitals are accredited by The Joint Commission.

Butler is affiliated with The Warren Alpert Medical School of Brown University and is the flagship hospital for its department of psychiatry, which has been recognized by its peers as one of the top ten in the United States. Butler is a national leader in the development of acute psychiatric and substance abuse treatment and is involved in a variety of research efforts which has earned it a national reputation as a major teaching and research facility.

Kent was identified as a recipient of the 2012 HealthGrades Patient Safety Excellence Award, indicating that its patient safety ratings are in the top 5% of U.S. hospitals. In a new study released recently by HealthGrades, Kent is one of only 263 hospitals in the country to receive this designation and the only hospital in Rhode Island. Kent is a member of the American Hospital Association, the KUMC Research Institute, the American Association of Blood Banks, the American College of Cardiology, SNHPA, the Northeast Osteopathic Medical Education Network, and the National Perinatal Information Center.

A U.S. News Best Hospital in Gynecology and Best Children's Hospital for 2011 in Neonatology, WIH was ranked number one in the Providence metro area and a top-performer in cancer treatment, and has achieved a 5-star rating in Maternity Care for 2011 from HealthGrades. The primary teaching affiliate of The Warren Alpert Medical School of Brown University for obstetrics, gynecology and newborn pediatrics, as well as a number of specialized programs in women's medicine, WIH is the eighth largest stand-alone obstetrical service in the country with over 8,400 deliveries per year. WIH is home to the nation's only mother-baby perinatal psychiatric partial hospital, as well as the nation's only fellowship program in obstetric medicine. WIH has been designated as a Breast Center of Excellence from the American College of Radiography; a Center for In Vitro Maturation Excellence by SAGE In Vitro Fertilization; a Center of Biomedical Research Excellence by the National Institutes of Health; and a Neonatal Resource Services Center of Excellence. WIH is one of the largest and most prestigious research facilities in high

risk and normal obstetrics, gynecology and newborn pediatrics in the nation, and is a member of the National Cancer Institute's Gynecologic Oncology Group and the National Institutes of Health's Pelvic Floor Disorders Network.

CNE has recently undertaken the following larger capital projects:

- **On the Butler campus, CNE recently broke ground on a new 26-bed adult inpatient unit. This 49,000-square-foot patient care center is the largest private construction project underway in Rhode Island, and is expected to open in the summer of 2013.**
- **On the Kent campus, a 60,000-square-foot Ambulatory Surgery and Medical Office Building is being constructed to enable the hospital to provide high-quality, patient-focused services in a state-of-the-art facility. The ASC will handle the majority of outpatient surgeries as well as endoscopic and pain management procedures currently performed in the main hospital.**
- **In the fall of 2009, WIH opened a new wing which houses a 30-bed antenatal care unit and an 80-bed single-family room NICU, one of the largest in the nation. This year, WIH will renovate its Infusion Center at the Program for Women's Oncology. This project is designed to replace older units that lacked space to comfortably accommodate patients with new facilities that will provide modern, technologically advanced healing environments for WIH patients.**

MHRI 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 the Center for Primary Care. Created in 1969, this relationship has brought thousands of the best young medical students, interns, residents and research fellows in the country through MHRI's doors for study and practice. MHRI has grown into the second largest teaching hospital in Rhode Island, with the majority of the full-time medical staff affiliated with the medical school, and dozens of residents in various specialties. As a result of this partnership, MHRI conducts more than fifty research projects supported by more than $2.5 million in federal funds, ranking MHRI among the top research hospitals in Rhode Island. The Cancer Center of Memorial has been recognized by the Quality Oncology Practice Initiative certification program, an affiliate of the American Society of Clinical Oncology. MHRI's Sleep Center has received a five-year program accreditation from the American Academy of Sleep Medicine.

Both CNE and MHRI are nonprofit, tax-exempt, community-based health care organizations with longstanding deep commitments to the communities they serve. Their missions, visions, and values are well aligned. Please see CNE's and MHRI's respective missions, visions, and values attached as Exhibit 23(a).

B

b) that sufficient safeguards are included in the proposed conversion to assure the affected community continued access to affordable care;

Both MHRI and the CNE hospitals participate in both the Medicare and Medicaid programs and will continue to do so. Further, the Transacting Parties will endeavor to make charity care available to the communities MHRI serves, including the Blackstone Valley, at a level comparable to the level of charity care provided by other similarly-situated entities within CNE. Of course, MHRI will continue to comply with applicable law regarding the provision of charity care. Attached as Exhibit 23(b) is CNE's charity care policy.

C

c) that the new hospital will provide health care and appropriate access with respect to traditionally underserved populations, including racial and ethnic minority populations, in the affected community;

MHRI and CNE and its hospitals take pride in their long and distinguished history of service to Rhode Island. MHRI and CNE have continually worked to assess community needs and respond accordingly with needed programs and interventions to improve access for traditionally underserved populations.

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. MHRI participates in both Medicare and Medicaid as well.

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

D

d) that there will be procedures or safeguards in place to ensure that ownership interests in the new hospital will not be used as incentives for hospital employees or physicians to refer patients to the hospital;

MHRI is and will remain a non-profit corporation; as such, no individual or entity may have an ownership interest in MHRI. Furthermore, CNE has an established Code of Conduct which, among other things, requires all CNE employees and physicians to conduct business in accordance with state and federal law and prohibits the payment or acceptance of anything of value in exchange for patient referrals. As part of its compliance efforts, CNE regularly provides training regarding compliance matters and its compliance professionals conduct routine audits.

Copies of CNE's Code of Conduct and Compliance Program are attached at Exhibit 8A.

e) that the Transacting Parties have made a commitment to ensure the continuation of collective bargaining rights, if applicable, and retention of the workforce;

CNE and MHRI are committed to respecting collective bargaining rights and, once MHRI joins CNE, CNE and MHRI will continue to respect collective bargaining rights. Each hospital in the CNE system handles its own labor negotiations, and the fact that MHRI currently is in contract negotiations presents a more complex set of issues than normal due to the pending Affiliation. However, MHRI intends to ensure that the impact of the Affiliation on terms and conditions of employment is fully addressed, and that any changes in the workforce will be implemented in a manner consistent with applicable collective bargaining agreements.

f) that the Transacting Parties have appropriately accounted for employment needs at the facility and addressed workforce retraining needed as a consequence of any proposed restructuring;

MHRI maintains a strong and capable workforce. In addition, following the Affiliation, MHRI and its staff will be able to leverage CNE's existing workforce management and training processes and procedures in order to improve MHRI's ability to effectively attract, hire, develop, and retain personnel in ways that best support a high-performing health care system. Among the workforce training processes and procedures currently utilized by CNE and which will be made available to MHRI's workforce following the Affiliation are:

1. **CNE can provide access to a scalable and flexible Learning Management System (LMS) which is specifically designed by healthcare professionals to ensure maximum efficiency when managing, tracking, and reporting on staff development, training, and compliance.**

   Courses are delivered online through the NetLearning LMS, a part of Cengage Learning, and are available 24/7 — for just-in-time training when and where it's needed. Some of NetLearning's courses have received the American Society for Training and Development (ASTD) E-Learning Courseware Certification.

   For a decade, NetLearning has provided a total training solution for the CNE workforce. NetLearning's course library includes over 4,000 courses — thousands of hours of education — and is constantly expanding its selection. Once MHRI joins CNE, the MHRI workforce will have access to this resource.

2. **Through a partnership with Harvard Business School's ManageMentor® program (HMM), managers from the Transaction Parties and their affiliates will have access to a state-of-the art, online learning and performance support and collaboration tool for managers from one of the country's most respected voices in business.**

   Managers can access content in 44 management and leadership topic areas, including lessons from over 50 global leaders and over 150 personal leadership stories from Harvard University faculty, trusted experts, and next-generation emerging leaders. Managers can access content through a variety of formats, including videos, articles, and online course material. They can search for content by task, role, or by the amount of time they have.

   There are RSS feeds that will keep managers up to date on the latest news related to various topics within the program and they can collaborate with their peers using the discussion forums, comments section, and recommending content for others to read. There are grab-and-go tools that make it easy for managers to develop their team, do group projects, and have productive discussions with

direct reports regarding retraining need as a consequence of any proposed restructuring – all in a fast and easy-to-use format.

3. **CNE is in the process of standardizing an approach to assess and develop employees and teams to better engage its workforce members and leaders following the Affiliation.**

   To ensure the success of this effort, managers from the Transacting Parties and their affiliates will be educated on core competencies, coaching for organizational and personal success, career progression and development of high-performing teams.

   The foundation of the education programs will be consistent to ensure all audiences receive the same understanding of competencies, assessment and development. The education will consist of four ½-day programs:
   - **Introduction to Competencies**
   - **Coaching for Development**
   - **Competency Based Interviewing**
   - **Team Assessment and Development**

G

g) that the public interest will be served considering the essential medical services needed to provide safe and adequate treatment, appropriate access and balanced health care delivery to the residents of the state;

MHRI has been determined by the Director of Health to be a financially distressed hospital. The proposed transaction will provide financial and administrative support to MHRI to allow it to continue to provide high quality and accessible essential medical services to the residents of the Blackstone Valley. The proposed transaction, if approved, would therefore contribute to a balanced health care delivery system in the state by maintaining the current level of services offered in the service areas of MHRI and CNE.

In combining clinical programs and sharing best practices and clinical protocols across the combined system, CNE's goal is to improve the quality of care delivered at all of its locations. As part of the proposed transaction, MHRI will become CNE's primary academic teaching base for Brown University with respect to the primary care specialties of family and internal medicine. In addition, the Transacting Parties have explicitly acknowledged the importance of maintaining a robust surgical practice at MHRI.

h) that issues of market share especially as they affect quality, access, and affordability of services in the proposed conversion are satisfactory.

The proposed conversion will not adversely affect quality, access, or affordability of services. Indeed, CNE's and MHRI's plans for the conversion call for improving performance in each of these areas.

As an initial matter, CNE and MHRI offer some of the same services, but the two systems generally specialize in different areas, with CNE having a stronger presence in women's services and behavioral health while MHRI has a greater presence in primary care services. Indeed, the CNE hospital most like MHRI, Kent, is located the most distant from MHRI of all CNE hospitals, and the primary service areas for Kent and MHRI do not overlap. While the service areas for WIH and Butler do overlap with that of MHRI, those two CNE hospitals offer very few general acute care services like those offered at MHRI.

Regardless, the proposed conversion will not adversely affect the quality of health care services offered by CNE or MHRI. By combining clinical programs and sharing best practices and clinical protocols across the new system, CNE's goal is to reduce variation in treatment and improve the quality of care delivered at all of its locations. Indeed, clinical literature suggests that pooling patient volumes for treatment can result in better quality care and outcomes, as physicians, nurses, and other caregivers sharpen and retain skills and apply the experience that comes from treating patients with the same diseases and conditions more frequently.

The proposed conversion also will not adversely impact access to care. While CNE and MHRI are studying how best to configure their services in the new combined system, the parties do not envision eliminating any clinical service that the two parties to the conversion presently offer. 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 services that CNE and MHRI do consolidate 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 access to care.

Lastly, the proposed conversion will not adversely impact the affordability of services. CNE and MHRI both believe that the proposed conversion creates the opportunity for synergies that will moderate cost trends in a way that neither organization could achieve on its own. These synergies will result from achieving savings by combining clinical programs and "back-office" operations, among other areas. Moreover, competition from other providers and payors' ongoing shift from fee-for-service reimbursement to value-based purchasing will require and motivate CNE to maintain and improve the affordability of the services that the new system offers.

For all of these reasons, the proposed conversion will have a satisfactory effect on quality, access, and affordability of services.

24. Please provide copies of the IRS Form 990 H for each of the Transacting Parties and their affiliated hospital (s) for each of the past three years.

See Exhibit 24.

25. Please provide a list of all agreements of the existing hospital(s) and/or their affiliated medical providers with third party payors.

The following are complete lists of all agreements with third party payors of each of MHRI and the CNE hospitals:

MHRI

Payor Name:

United Healthcare Insurance Company (Medicare/Commercial)
Blue Cross & Blue Shield of Rhode Island (Medicare/Commercial)
Neighborhood Health Plan of Rhode Island
Harvard Pilgrim Health Care, Inc.
Tufts Health Plan
Aetna US Healthcare
CIGNA
Coventry Health Care
Integrated Health Plan
Neighborhood Health Plan of Massachusetts
USA Managed Care Organization
United Healthcare for Medicaid/Rite Care.

BUTLER

Payor Name:

Aetna US Healthcare
Beacon Health Strategies
Beech Street
Blue Cross
Harvard Pilgrim
Healthcare Value Management
Private Healthcare Systems, Inc.
Tufts Health Plan of New England
Unicare Life and Health Ins. Co.
United Behavioral Health
United Healthcare of New England
Value Behavioral Health

KENT

Payor Name:

Blue Cross
Colonial Cooperative Care, Inc.
Connecticare
Cost Care, Inc.
Harvard Pilgrim Healthcare
Healthcare Value Management
Multiplan, Inc.
Neighborhood Health Plan of RI
One Health Plan
Physicians Health Services
Private Healthcare Systems, Inc.
Prudential
Tufts Health Plan of New England
Unicare Life and Health Insurance Co.
United Behavioral Health
United Healthcare of New England
United Payors + United Providers

WIH

Payor Name:

Aetna US Healthcare
Beech Street
Blue Cross
Boston Medical Center Health PL
Cigna Healthcare
Colonial Cooperative Care, Inc.
Commercial Insurance
Connecticare
Harvard Pilgrim Healthcare
Healthcare Value Management
Healthnet/PHS
Multiplan, Inc.
Neighborhood Health Plan of Rhode Island
One Health Plan
Out of State Medicaid
Private Healthcare Systems, Inc.
Tufts Health Plan Of New England
Unicare Life and Health Ins Co
United Behavioral Health

United Healthcare of New England
United Payors + United Providers

26. Please confirm that the new hospital will continue to participate in the Rhode Island Cancer Registry and the Rhode Island Health Information Exchange (current*care*) after the implementation of the proposed conversion and, if not, please explain why not.

MHRI will continue to participate in the Rhode Island Cancer Registry and the Rhode Island Health Information Exchange (current*care*) after the proposed Affiliation.

27. Please provide a list of all professional memberships/associations and community collaborations that the existing hospital is currently a member or participant and, of those, please identify any that will not be maintained after the implementation of the proposed conversion.

MHRI is a party to affiliations with the following entities:

- **Brigham and Women's Physicians Organization, Inc. and The Brigham and Women's Hospital, Inc.**
- **Brown University**
- **Rosalind Franklin University of Medicine and Science, through its Dr. William M. Scholl College of Podiatric Medicine**
- **Samuel Merritt University**
- **Temple University – Of the Commonwealth System of Higher Education (on behalf of its School of Podiatry)**
- **Western University of Health Sciences/College of Podiatric Medicine**
- **Barry University, Inc.**
- **Des Moines University College of Podiatric Medicine & Surgery**
- **Kent State University College of Podiatric Medicine**
- **Midwestern University / Glendale Campus**
- **New York College of Podiatric Medicine**
- **Gateway Healthcare, Inc.**
- **Day One**

At this time there are no affiliations which the parties do not intend to maintain following the Affiliation.

Appendix A

ALL APPENDICES MUST BE COMPLETED

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.

	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	
PERSONNEL (by major categories)	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.

RIDOH 0058

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.

RIDOH 0059

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).

RIDOH 0060

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			

RIDOH 0061

Appendix B

APPENDIX B

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

N/A as there are no capital costs related to this conversion and CNE intends to fund all operating costs of the conversion with its own equity.

Please note that as previously indicated in response to Question 9, CNE's financial support will extend beyond September 30, 2016.

TOTAL PROJECT COST:

SOURCE OF FUNDS	AMOUNT
a. Funded depreciation	
b. Other restricted funds (specify)	
c. Unrestricted funds (Unrestricted Net Assets)	
d. Owner's equity	
e. Sale of stock/other equity	
f. Unrestricted donations or gifts	
g. Restricted donations or gifts	
h. Government grant (specify)	
i. Other non-debt funds (specify)	
j. Sub-Total Equity Funds	
k. Subsidized loan (e.g. FHA etc.)	
l. Tax-exempt bonds (specify)	
m. Conventional mortgage	
n. Lease or rental	
o. Other debt funds	
p. Sub-Total Debt Funds	
q. Total Source of Funds	

* should equal the response for line "p"

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

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

Appendix C

APPENDIX C

Debt Financing

N/A

Name of Acquiror: _____

1. Describe the proposed debt by completing the following:

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

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

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

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

Appendix D

APPENDIX D

Elimination or Reduction in Services

Please provide responses to the following for each health service that will be eliminated, or significantly reduced at the new hospital during the first 3 years at the new hospital following the implementation of the proposed conversion. (Please replicate as necessary.)

CARDIAC CATHETERIZATION LABORATORY

1. Description of the services to be reduced or eliminated;

   It is anticipated that the Cardiac Catheterization Laboratory will be eliminated over time.

2. The proposed change(s) in hours of operation, if any;

   It is anticipated that, over time, the Cardiac Catheterization Laboratory will cease operating.

3. The proposed change(s) in staffing, if any;

   It is anticipated that, over time, administrative positions will be eliminated. Clinical personnel will be offered the opportunity for employment elsewhere in MHRI or CNE.

4. The documented length of time the services to be reduced or eliminated have been available at the facility;

   The Cardiac Catheterization Laboratory has operated since January, 1994.

5. The number of patients utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

   In FY 10, 166 patients were treated. In FY 11, 163 patients were treated. In FY 12, 283 patients were treated.

6. Data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

Payor Mix			
Medicare	**81%**	**66%**	**61%**
Medicaid	**1%**	**5%**	**5%**
Blue Cross	**7%**	**13%**	**14%**
Commercial / HMO's	**7%**	**11%**	**14%**
Self Pay	**1%**	**3%**	**4%**
Other	**2%**	**1%**	**2%**
Total	**100%**	**100%**	**100%**

7. The geographical area for which the facility provides services; and

   Patients served primarily live in Pawtucket, Providence, East Providence and the Blackstone Valley.

8. Identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:

   (a) Access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;

   Little impact is expected on access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations. Similar services will continue to be available at Landmark Medical Center, Miriam Hospital, Rhode Island Hospital, and Kent Hospital.

   (b) The delivery of such services on the affected community in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);

   No impact is expected on the delivery of such services in the affected cities and towns whose residents are regularly served by the hospital. Similar services are available at Landmark Medical Center, Miriam Hospital, Rhode Island Hospital, and Kent Hospital.

   (c) Other licensed hospitals or health care providers in the affected community or cities and towns; and

   The other hospitals which provide cardiac catheterization services in the affected communities may experience a small increase in patients seeking such services.

(d) Other licensed hospitals or health care providers in the state.

No impact is expected on other hospitals in the state located outside the affected communities.

SPECIAL IMAGING RELATED PROCEDURES

1. Description of the services to be reduced or eliminated;

   It is anticipated that the following imaging related procedures currently performed will be eliminated over time: endoscopic retrograde cholangiopancreatography (ERCP); percutaneous biliary stone removal; percutaneous nephrostomy tube; external unilateral angiogram with stent(s) and angiogram of AV shunt, the lower extremity with stent(s), and abdominal aorta; embolization; thrombectomy/lysis; ureteral stenting; and intervention under fluoroscopy (1 hour).

2. The proposed change(s) in hours of operation, if any;

   It is anticipated that, over time, these procedures will no longer be offered at MHRI.

3. The proposed change(s) in staffing, if any;

   It is anticipated that approximately three positions will be eliminated. Clinical personnel will be offered the opportunity for employment elsewhere in MHRI or CNE.

4. The documented length of time the services to be reduced or eliminated have been available at the facility;

   MHRI is unable to locate records documenting when these services were initiated.

5. The number of patients utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

Exam / Procedure Type	FY10	FY11	FY12
ERCP	34	32	17
Percutaneous Biliary Stone Removal	2	5	3
Percutaneous Nephrostomy Tube	14	12	8
Angio Bilaterial Low Ext with Stent(s)	4	2	3
Angio Unilateral Ext w/ Stent(s)	20	22	12
Angio Abdominal Aorta	12	15	12
Angio AV Shunt	1	4	-
Follow-Up	3	1	-
Embolization	2	1	-
Thrombectomy / Lysis	1	2	-
Ureteral Stenting	13	8	-
Intervention under Fluoroscopy (1 hr)	55	41	51

6. Data describing the insurance status of those individuals utilizing those services that are to be reduced or eliminated annually during the most recent 3 years;

	Payor Mix		
	Medicare	**48%**	**51%**	**47%**
	Medicaid	**3%**	**3%**	**4%**
	Blue Cross	**23%**	**18%**	**21%**
	Commercial / HMO's	**20%**	**20%**	**22%**
	Self Pay	**4%**	**5%**	**4%**
	Other	**2%**	**2%**	**1%**
Total		**100%**	**100%**	**100%**

7. The geographical area for which the facility provides services; and

   Patients served primarily live in Pawtucket, Providence, East Providence, and the Blackstone Valley.

8. Identification and description, including supporting data and statistical analyses, of the impact of the proposed elimination or reduction on:

   (a) Access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations;

   No impact is expected on access to health care services for traditionally underserved populations, including but not limited to, Medicaid, uninsured and underinsured patients, and racial and ethnic minority populations. Similar services will continue to be available at Miriam Hospital, Rhode Island Hospital, and Kent Hospital.

(b) The delivery of such services on the affected community in the cities and towns whose residents are regularly served by the hospital (the "affected" cities and towns);

No impact is expected on the delivery of such services in the affected cities and towns whose residents are regularly served by the hospital. Similar services are available at Miriam Hospital, Rhode Island Hospital, and Kent Hospital.

(c) Other licensed hospitals or health care providers in the affected community or cities and towns; and

The other hospitals in the affected communities may experience a minor increase in demand.

(d) Other licensed hospitals or health care providers in the state.

No impact is expected on other hospitals in the state located outside the affected communities.

EXHIBIT 2 Table of Contents

Tab	Description	Bates Number
2-A	Certificate of Incorporation of MHRI Parent	RIDOH 0070
2-B	Bylaws for MHRI Parent	RIDOH 0081
2-C	Articles of Incorporation of MHRI	RIDOH 0090
2-D	MHRI Bylaws	RIDOH 0129
2-E	Certificate of Incorporation of CNE	RIDOH 0142
2-F	Amended and Restated Bylaws of CNE	RIDOH 0155
2-G	Articles of Incorporation of Butler	RIDOH 0180
2-H	Amended and Restated Bylaws of Butler	RIDOH 0221
2-I	Articles of Incorporation of Kent	RIDOH 0248
2-J	Amended and Restated Bylaws of Kent	RIDOH 0295
2-K	Articles and Amendments of WIH	RIDOH 0321
2-L	Amended and Restated Bylaws of WIH	RIDOH 0389
2-M	Proposed Revised Amended and Restated Bylaws of CNE - DRAFT	RIDOH 0414
2-N	Proposed Revised Bylaws for MHRI Parent - DRAFT	RIDOH 0439
2-O	Proposed Revised Articles of Incorporation for MHRI Parent – DRAFT	RIDOH 0455
2-P	Proposed Revised MHRI Bylaws – DRAFT	RIDOH 0457
2-Q	Proposed Revised Articles of Incorporation for MHRI – DRAFT	RIDOH 0477

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 sisteenth day of September A.D., 19 96

James R Langevin
Secretary of State

By Jane Bertheaume
Acting Deputy Secretary of State

Form No. N-1C 7/95

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.

SEP 13 2 13 PM '96

RECEIVED

PAID
SEP 16 1996
SEC'Y OF STATE
CC#63
16807/

Form No. N-1B 7/95

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.

194077_1

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

RIDOH 0075

Exhibit C

Name	Address
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

222370_1

Corporate ID _____

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

Southeastern Healthcare System, Inc.

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 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 Amendment to the Articles of Incorporation of Southeastern Healthcare System, Inc. 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-seventh day of March A.D., 19 97

James R Langevin
Secretary of State

By Debra Antonelli
Acting Deputy Secretary of State

Form No. N-2C

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.

RIDOH 0079

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)
Francis R. Dietz

Its Sole Incorporator ~~President or Vice-President~~

and (Note 3)

Its ~~Secretary or Assistant Secretary~~

FILED
MAR 27 1997
By J. LaPlante
D 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

Adopted November 28, 2007
Revised November 11, 2009

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

RIDOH 0085

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.

RIDOH 0087

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.

RIDOH 0088

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

RIDOH 0089

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

SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS · HOPE · 1636 ·

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

X By _____
Signature of Authorized Person

X President
Title

FILED
DEC 10 2003
By 13820

Form No. 626
Revised. 01/99

RIDOH 0091

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.

716599_1/99998-75

Filing Fee $10.00

State of Rhode Island and Providence Plantations

28357

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.

FILED

APR 1 [illegible]

By [signature]

18437d.

Form No. N 2A

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 _____ (Note 3)
Francis R. Dietz

Its President

and _____ (Note 3)
Edna S. Poyfin

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

2835 1/

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

FILED

DEC 9 1993

By

Form No. N-2A

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:

1. As to each of the corporations parties to the merger, insert whichever of the following statements is applicable:
   (a) "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."
   (b) "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."
   (c) "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."
2. Exact corporate names of corporations executing the Articles
3. Signatures and titles of officers signing for the respective corporations

EXHIBIT A

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.

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 rom accidents or injuries, for the purpose of conducting a school of nursing, id for the purpose of developing and maintaining such other programs and acilities (within or without said City of Pawtucket) for the promotion of man health as are consistent with the status of the corporation as an organiation exempt from federal taxation under the provisions of Section 501(c)(3) the Internal Revenue Code (or the corresponding provisions of any future deral 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, 986, at which a quorum was present, and the amendment received at least a ajority of the votes which members present or represented by proxy at such eeting were entitled to cast."

Dated December , 1986

THE MEMORIAL HOSPITAL (Note 2)

By (Note 3)

Its President

and Henry J. Blais III (Note 3)

Its Secretary

CP10 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

RIDOH 0108

(Original Amendment of Articles of Association of NON-BUSINESS 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(s) to the Articles of Association was (~~xxxxxx~~) 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:

President.

Secretary.

RIDOH 0109

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

ELF 766

RIDOH 0110

(ORIGINAL AMENDMENT OF ARTICLES OF ASSOCIATION OF NON-BUSINESS CORPORATION)

State of Rhode Island and Providence Plantations.

January 9, 1936. XXX 192

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. 19 36, 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 R. Junkin
Secretary.

RIDOH 0111

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..

RIDOH 0112

(ORIGINAL AMENDMENT OF ARTICLES OF ASSOCIATION OF NON-BUSINESS CORPORATION)

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'k W. Easton 1st Vice President.

James R. Jenks Secretary.

RIDOH 0113

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.

..... 192 ....

RIDOH 0114

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.

Lyman M. Darling
President.

James L. Jenks
Secretary.

The Memorial Hospital

Amendment to Articles of Incorporation

Filed JUN 28 1901

RIDOH 0116

State of Rhode Island and Providence Plantations.

ARTICLES OF ASSOCIATION.

KNOW ALL MEN BY THESE PRESENTS THAT WE, Lyman M. Darling, Pardon E. Tillinghast, Frederick W. Easton, [redacted], George L. Littlefield, Lyman B. Goff, Darius L. Goff, J. Milton Payne, James L. Jenks, George M. Thornton, Eben N. Littlefield, [redacted], Hezekiah Conant, Henry H. Sheldon, [redacted], Jonathan Chace, Albert A. Jonks, W. Howard Easton, Stephen F. Fisk, [redacted], Charles L. Knight, William P. Dempsey, [redacted] 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, [redacted] Augustine A. Mann, [redacted] 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 ion of a temporary chairman and a temporary clerk.

RIDOH 0117

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.

RIDOH 0118

In Testimony Whereof, We have hereunto set our hands this Eleventh day of May A.D. 1901

Lyman M Darling
Pardon E. Tillinghast
Edward Easton
Geo. L. Littlefield
Lyman B. Goff
Geo. M. Thornton
Pardon E. Tillinghast
Henry H. Sheldon
Geo. L. Littlefield
Stephen F. Fisk.
Julian A. Chase
Augustine A. Mann
William P. Dempsey
Frederick W. Easton
Jonathan Chace
Albert A. Jenks
Chas N. Knight
Charles H. French

James H. Kingman.
James R. MacColl
Jas. Milton Payne
Edward L. Stearns
Jessica Lucas Wheaton Jr.
William E. Malsh
Hamilton Payne
Edward L. Stearns

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.Carpenter, James Corbo,~~ George L.Littlefield, Lyman B.Goff, Darius L.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, ~~Dennis J.Donnelly~~, 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 P. Commican~~, Augustine A. Mann, ~~J.H.V.Hutchison~~, 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.

Frederick W. Gilmore
Notary Public.

RIDOH 0119

FILED MAY 25 1961

Attorney at Law

Portland

Gunderson

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

RIDOH 0121

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.

RIDOH 0122

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.

RIDOH 0123

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.

RIDOH 0124

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.

RIDOH 0125

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.

RIDOH 0126

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 1059
Approved
April 13, 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.

RIDOH 0127

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.

RIDOH 0128

Adopted November 28, 2007
Revised November 11, 2009

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.

RIDOH 0136

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.

RIDOH 0137

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.

RIDOH 0138

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

RIDOH 0139

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.

185270_11/158-1

RIDOH 0141

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 ffice 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 Langevin
Secretary of State

By Jose Bertheaume
Acting Deputy Secretary of State

FILED
NOV 7 1995

Form No. N.I.C. 7-95

RIDOH 0142

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:

FILED
NOV 7 1995
By

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

Thomas R. Courage

Filing Fee $10.00

86892

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

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 is ENTERPRISE 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 29 1996

Form No. N 2A

RIDOH 0148

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.

A. Ralph Mollis

Secretary of State

BY

SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS * 1636 *

Corporate ID _____

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 Bertrand
Acting Deputy Secretary of State

Form No. N-2C

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 _____ 175984

DEPARTMENT OF STATE
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

Form No. N-2B

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 _____ (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."

#150888

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

TABLE OF CONTENTS

Purposes, Powers and Offices 1

Purposes 1

Powers 1

Offices 3

Members 3

Members 3

Board of Directors 3

Authority of the Board 3

Number of Directors 3

Directors Emeritus 4

Election and Term of Directors 4

Resignation of Elected Directors 5

Removal of Elected Directors 5

Vacancy-Elected Directors 5

Meetings of the Board 5

Places of Meeting-Board 6

Notice for Meetings-Board 6

Waiver of Notice-Board 6

Quorum-Board 6

Action at Meetings-Board 7

Participation by Telephone-Board 7

Written Consent-Board 7

Reimbursement of Expenses-Board 8

Committees 8

Committees 8

Term and Election-Committee Members 8

Resignation, Removal and Vacancy-Committee Members 9

Meetings-Committees 9

Waiver of Notice-Committees 10

Quorum-Committees 10

Action at Meetings; Written Consents-Committees 10

Participation by Telephone-Committees 10

Executive Committee 11

Finance Committee....11
Planning Committee....11
Governance and Nominating Committee....11
Audit & Compliance Committee....12
Compensation Committee....12
Investment Committee....12
Quality Committee....12
Reimbursement of Expenses-Committee Members....13
Officers....13
Officers....13
Election and Term-Officers....13
Resignation-Officers....13
Removal-Officers....14
Vacancy-Officers....14
Authority and Duties-Officers....14
Seal....14
Seal....14
Fiscal Year; Annual Reports....15
Fiscal Year....15
Annual Reports....15
Execution of Documents....15
Execution of Documents....15
Limitation of Liability....15
Limitation of Liability....15
Indemnification....16
Agreement of the Corporation....16
Definitions....16
Advance Payment of Expenses....17
Exclusions....17
Notice to the Corporation; Insurance....17
Indemnification....18
Settlement....19
Rights Not Exclusive....19
Enforcement....20
Severability....20

Successors and Assigns 20
Amendment of this Article 10 20
Amendments 21
Amendments 21

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

RIDOH 0166

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

RIDOH 0169

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.

RIDOH 0172

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

RIDOH 0173

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.

RIDOH 0174

(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'

RIDOH 0175

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

RIDOH 0176

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

RIDOH 0179

Corporate ID _____

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

Butler Hospital

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 Butler Hospital 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 Butler Hospital 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 seventh day of February A.D., 19 96

James R Langevin
Secretary of State

By Debra Antonelli
Acting Deputy Secretary of State

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

Butler 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 Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Section 1 was amended to read as follows:

"There is hereby created a corporation by the name of Butler Hospital for the purpose of organizing, erecting, acquiring, equipping, supporting, operating and maintaining a non-profit hospital and associated facilities for the diagnosis, care and treatment of persons suffering from mental illness, substance abuse and other behavioral and neurobehavioral disorders, and to engage in such other activities as are related to such purpose, with all powers and privileges and subject to all other duties and liabilities set forth in Rhode Island Non-Profit Corporation Act and in any acts in amendment thereof or in addition thereto. The Corporation shall have two classes of membership: the Corporate Member and Individual Members, the powers of which classes of members shall be set forth in the Bylaws of the Corporation."

FILED

FEB 07 1996

By DO #55

155902

THIRD: The amendment was adopted in the following manner:

"The amendment was adopted at a meeting of members held on Janu[illegible] 1996, at which a quorum was present, and the amendment received at lea[illegible] a majority of the votes which members present or represented by proxy [illegible] such meeting were entitled to cast."

Dated February 1, , 19 96

Butler Hospital

By Frank A. Delmonico
Frank A. Delmonico

Its President

and William S. LaLonde
William S. LaLonde

Its Secretary

Exhibit G

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.

ID 34675

COPY

State of Rhode Island and Providence Plantations
OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND
02903-1335

James R. Langevin
Secretary of State

Date: February 1, 1996

Butler Hospital
(23 PAGES)

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS.

James R Langevin
Secretary of State

By Kelly E. Pisani
Acting Deputy Secretary of State

Corporations/U.C.C. 277-3040 • Notary/Trademarks 277-1487
FAX 277-1309 • TDD 277-2311

Filing Fee $10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF

BUTLER 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 Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Section 3 of the Charter of Butler Hospital was amended to read as follows:

Sec. 3. The said corporation, acting by and through its 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 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 the United States; and may generally do and transact all other matters and things fit and proper for bodies corporate to do and transact.

12/02/87 PAID CP10 CHEK 0029A001 50.00 10.00

No N-2A

SA JAN 29 [illegible]

The amendment was adopted in the following manner: (Note 1)

The amendment was adopted at a meeting of members held January 15, 1987, 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.

January, 19 87

BUTLER HOSPITAL (Note 2)

By John R. Allen (Note 3)
John R. Allen

Its President

and Victoria Lederberg (Note 3)
Victoria Lederberg

Its Secretary

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.

Corporate ID _____

State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE

CERTIFICATE OF AMENDMENT

TO ARTICLES OF INCORPORATION

OF

BUTLER HOSPITAL

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 BUTLER HOSPITAL 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 her by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of BUTLER HOSPITAL 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-seventh day of January A.D., 19 94

Barbara M Leonard
Secretary of State

By Andrea Sotolo
Acting Deputy Secretary of State

AR1429
115850

NOV-20-98 FRI 04:39 PM BUTLER HOSPITAL ADMIN FAX NO. 4014556252 P. 02

Filing Fee $10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

DUPLICATE ORIGINAL OF ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF

BUTLER 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 Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Sections 4 and 5 of said Articles are amended to read as follows:

Section 4. The said corporation and all the property and affairs of the corporation shall be under the management of a board of trustees. The election and composition of the board of trustees shall be as set forth in the bylaws of the corporation.

Section 5. The designation, election and authority of the respective officers of the corporation shall be as set forth in the bylaws of the corporation.

Form No. N-20

AMEA 29
11575

NOV-20-98 FRI 04:40 PM BUTLER HOSPITAL ADMIN FAX NO. 4014556252 P. 03

THIRD: The amendment was adopted in the following manner: (Note 1)

The amendment was adopted at a meeting of members held on January 20, 1994, 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 January 26th, 19 94

BUTLER HOSPITAL (Note 2)

By Frank A. Delmonico (Note 3)

Its President

and Matthew A. Runci (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.

NOV-20-98 FRI 04:40 PM BUTLER HOSPITAL ADMIN FAX NO. 4014556252 P. 04

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT
TO THE
ARTICLES OF INCORPORATION
OF

BUTLER HOSPITAL

Pursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation ~~ps~~ the following Articles of Amendment to its Articles of Incorporation:

FIRST: The name of the corporation is Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Sections 4 and 5 of said Articles are amended to read as follows:

Section 4. The said corporation and all the property and affairs of the corporation shall be under the management of a board of trustees. The election and composition of the board of trustees shall be as set forth in the bylaws of the corporation.

Section 5. The designation, election and authority of the respective officers of the corporation shall be as set forth in the bylaws of the corporation.

N-2A

RIDOH 0189

The amendment was adopted in the following manner: (Note 1)

The amendment was adopted at a meeting of members held on January 20, 1994, 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.

January 26th, 19 94

BUTLER HOSPITAL (Note 2)

By Frank A. Delmonico (Note 3)
Frank A. Delmonico

Its President

and Matthew A. Runci (Note 3)
Matthew A. Runci

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.

Corporate ID _____

State of Rhode Island and Providence Plantations

OFFICE OF THE SECRETARY OF STATE
CERTIFICATE OF AMENDMENT
TO ARTICLES OF INCORPORATION
OF

BUTLER HOSPITAL

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 BUTLER HOSPITAL 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 her by law, hereby issues this Certificate of Amendment to the Articles of Incorporation of BUTLER HOSPITAL 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-ninth day of January A.D., 19 67

Kathleen S. Connell
Secretary of State

By John M. O'Hare
Acting Deputy *Deputy Secretary of State*

DEPARTMENT OF STATE.
OFFICE OF
SECRETARY OF STATE
PROVIDENCE, R. I.

Form No. N-3C

Rec'd & Filed DEC 29 1967

Filing Fee $10.00

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

DUPLICATE ORIGINAL OF ARTICLES OF AMENDMENT TO THE ARTICLES OF INCORPORATION OF

BUTLER 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 Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Section 3 of the Charter of Butler Hospital was amended to read as follows:

> Sec. 3. The said corporation, acting by and through its 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 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 the United States; and may generally do and transact all other matters and things fit and proper for bodies corporate to do and transact.

Form No. N-2E

THIRD: The amendment was adopted in the following manner: (Note 1)

The amendment was adopted at a meeting of members held on January 15, 1987, 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 January, 19 87

BUTLER HOSPITAL (Note 2)

By John R. Allen (Note 3)

Its President

and Victoria Lederberg (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

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

Butler 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 Butler Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Section 1 was amended to read as follows:

"There is hereby created a corporation by the name of Butler Hospital for the purpose of organizing, erecting, acquiring, equipping, supporting, operating and maintaining a non-profit hospital and associated facilities for the diagnosis, care and treatment of persons suffering from mental illness, substance abuse and other behavioral and neurobehavioral disorders, and to engage in such other activities as are related to such purpose, with all powers and privileges and subject to all other duties and liabilities set forth in Rhode Island Non-Profit Corporation Act and in any acts in amendment thereof or in addition thereto. The Corporation shall have two classes of membership: the Corporate Member and Individual Members, the powers of which classes of members shall be set forth in the Bylaws of the Corporation."

FEB 7 9 57 AM '96

RECEIVED
SECRETARY OF STATE
CORPORATIONS DIV.

FILED

FEB 07 1996

By

155902

Form No. N-2B

NOV-20-98 FRI 04:41 PM BUTLER HOSPITAL ADMIN FAX NO. 4014556252 P. 05

THIRD: The amendment was adopted in the following manner: (Note 1)

"The amendment was adopted at a meeting of members held on January 18, 1996, 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 February 1, , 19 96

Butler Hospital (Note 2)

By [signature] (Note 3)
Frank A. Delmonico

Its President

and [signature] (Note 3)
William S. LaLonde

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.

NOV-20-98 FRI 04:41 PM BUTLER HOSPITAL ADMIN FAX NO. 4014586252 P. 05

1/5/76
1/15/87

CHARTER
OF
BUTLER HOSPITAL

Section 1. Benjamin Aborn, Josiah Chapin, Amasa Manton, George W. Hallett, Amory Chapin, Thomas Burgess, John Carter Brown, Moses B. Ives, Robert H. Ives, Benjamin Hoppin, Elisha Dyer, Seth Adams, Jr., Shubael Hutchins, Samuel F. Mann, Joseph Carpenter, Royal Chapin, Francis Wayland, William G. Goddard, Thomas R. Hazard, George G. King, J. Smith, Byron Diman, Gideon Spencer, Edward W. Lawton, W. Updike, J. P. Hazard, Stephen Branch and their associates, who may hereafter be admitted members of the corporation hereinafter created, according to the by-laws thereof, are incorporated and made a body corporate and politic by the name and style of Butler Health Center; and by that name and style shall have perpetual succession; be capable of suing and being sued, pleading and being impleaded, answering and being answered unto, defending and being defended against, to final judgment and execution, in all courts of law and equity; and may have and use a common seal, to be by them devised, altered and renewed at their pleasure.

[As amended by:
(1) Amendment passed at the January Session A.D., 1957
(2) But see vote of the corporation at its meeting on March 5, 1962 changing the name of the corporation to BUTLER HOSPITAL.]

Sec. 2. The corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of facilities for the care and treatment of the mentally ill, the prevention of mental illness, teaching and research in the field of mental health, and the establishment, maintenance and operation of a health center; ~~provided that the income of its real and personal estate together does not in any one year exceed the sum of seven hundred and fifty thousand dollars,~~ 1995 Session and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax. Upon the dissolution or liquidation of said corporation, after the payment of all obligations of the corporation, the remaining assets, if any, shall be distributed and transferred to charitable corporations, as defined in the internal revenue code, organized for the care and treatment of the mentally ill and/or the prevention of mental illness and/or teaching and research in the field of mental health and/or the establishment, maintenance and operation of a health center, in such

amounts as may be determined by a vote of a majority of the members of the corporation present at a meeting duly held.

[As amended by:
(1) Amendment passed at the January Session A.D., 1889
(2) Amendment passed at the January Session A.D., 1945
(3) Amendment passed at the January Session A.D., 1958
(4) Amendment passed at the January Session A.D., 1963
(5) Amendment passed at the January Session A.D., 1975]

acting by and through its Board of Trustees,

1987 Ann. Meeting 1/15/87

Sec. 3. 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 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 the United States; and may generally do and transact all other matters and things fit and proper for bodies corporate to do and transact.

Eqmve Mtg Jan 15, 1987

1) Amendment passed at _____ Session A.D. 1987.

Sec. 4. The said corporation and all property and concerns of said corporation shall be under the management of a board of trustees. The board of trustees shall consist of the president, vice president, treasurer and secretary ex officiis, and not less than twelve nor more than eighteen other trustees. At least four of such trustees shall be elected at the annual meeting of said corporation in each year for three year terms and until their successors shall be elected and shall qualify. At any time when there shall be less than eighteen such trustees the members of the board of trustees then in office may at any duly called meeting of the board of trustees elect an additional trustee or additional trustees to serve until the next annual meeting of said corporation and until his, her or their successors are elected and qualified, provided that the total number of such trustees in office at any one time shall not exceed eighteen. The terms of all such trustees shall be fixed so that not more than six nor less than four shall expire in any year.

[As amended by:
(1) Amendment passed at the January Session A.D., 1947
(2) Amendment passed at the January Session A.D., 1957
(3) Vote by the corporation at its meeting on March 25, 1966]

Sec. 5. The said corporation shall at its annual meeting in each year elect a president, a vice president, a treasurer and a secretary and such other officers as it shall see fit. The said officers shall have such powers and duties as the said corporation may prescribe, and shall hold office until their respective successors are elected and qualified. A vacancy in any office may be filled for the unexpired term by the board of trustees.

[As amended by:
(1) Amendment passed at the January Session A.D., 1947]

Sec. 6. It shall be lawful for the corporation, by affirmative vote of a majority of the members present at any meeting called for the purpose, to alter or change the name of said corporation or to otherwise amend its charter in any particular not inconsistent with law; and upon such change or amendment so made the corporation shall have the right to assume and take such name and to have,

hold and enjoy all of the powers and privileges of said charter as so amended.

[As amended by:
(1) Amendment passed at the January Session A.D., 1957]

Sec. 7. Any three of the associates mentioned in the first section, are hereby authorized and empowered to call the first meeting of said corporation by notification, and therein to appoint the time and place of said meeting; which notification shall be published in two of the newspapers printed in Providence, and one in Newport, for three successive weeks before the day of such meeting.

State of Rhode Island and Providence Plantations

Department of State

Office of the Secretary of State

I, FREDERICK A. MASSARO — First Deputy — Secretary of State of the State of Rhode Island and Providence Plantations, hereby Certify that the aforegoing is a true xerographic copy of an Act (H 6238) entitled AN ACT to Amend Section 2 of an Act Entitled "An Act to Incorporate the Rhode Island Asylum for the Insane", as Amended.; the same being taken from the records in this office and compared with the original Act passed by the General Assembly at the January Session, A.D. 1975, effective on the sixteenth day of May, A.D. 1975 and now remaining on file and of record in this office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this second day of March, A. D. 19 76

Frederick A. Massaro

First Deputy Secretary of State.

JANUARY SESSION, 1975.

AN ACT to Amend Section 2 of an Act Entitled "An Act to Incorporate the Rhode Island Asylum for the Insane", as Amended.

75-H 6235
Effective
May 16, 1975.

It is enacted by the General Assembly as follows:

Section 1. Section 2 of an act entitled "An act to incorporate the Rhode Island Asylum for the Insane", enacted by the general assembly at its January session A.D. 1844, as amended by an act passed at the January session A.D. 1889, and as further amended by an act passed at the January session A.D. 1945, and as further amended by an act passed at the January session A.D. 1958, and as further amended by an act passed at the January session A.D. 1963, is hereby further amended so that it shall read as follows:

"Sec. 2. The corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of facilities for the care and treatment of the mentally ill, the prevention of mental illness, teaching and research in the field of mental health, and the establishment, maintenance and operation of a health center; ~~provided that the income of its real and personal estate together does not in any one year exceed the sum of seven hundred and fifty thousand dollars,~~ and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax. Upon the dissolution or liquidation of said corporation, after the payment of all obligations of the corporation, the remaining assets, if any, shall be distributed and transferred to charitable corporations, as defined in the internal revenue code, organized for the care and treatment of the mentally ill and/or the prevention of mental illness and/or teaching and research in the field of mental health and/or the establishment, maintenance and operation of a health center, in such amounts as may be determined by a vote of a majority of the members of the corporation present at a meeting duly held."

Sec. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

RIDOH 0203

(Original Amendment of Articles of Association of NON-BUSINESS Corporation.)

State of Rhode Island and Providence Plantations

March 25, 1966

WE, the undersigned Officers of BUTLER HOSPITAL, a corporation duly incorporated at the January Session, 1844, of the General Assembly of the State of Rhode Island by an "Act to incorporate 'the Rhode Island asylum for the insane'",

~~a corporation duly incorporated under the laws of the State of Rhode Island;~~

HEREBY CERTIFY, that at a legal meeting of the members of said corporation, duly called for the purpose, and held in the City of Providence in the ~~County~~ of State of Rhode Island, ~~said State~~ on the 3rd day of March A. D. 1966, pursuant to the provisions of Section 6 of the ~~Article~~ Charter of said corporation, the following amendment (~~x~~) to the ~~Articles of Association~~ was (~~xxxxx~~) duly adopted by the affirmative vote of a majority of its members viz:—

VOTED, That Sec. 4 of the Charter of Butler Hospital be and it hereby is amended to read as follows:

Sec. 4. The said corporation and all property and concerns of said corporation shall be under the management of a board of trustees. The board of trustees shall consist of the president, vice president, treasurer and secretary ex officiis, and not less than twelve nor more than eighteen other trustees. At least four of such trustees shall be elected at the annual meeting of said corporation in each year for three year terms and until their successors shall be elected and shall qualify. At any time when there shall be less than eighteen such trustees the members of the board of trustees then in office may at any duly called meeting of the board of trustees elect an additional trustee or additional trustees to serve until the next annual meeting of said corporation and until his, her or their successors are elected and qualified, provided that the total number of such trustees in office at any one time shall not exceed eighteen. The terms of all such trustees shall be fixed so that not more than six nor less than four shall expire in any year.

[STATE SEAL]

ATTEST:

Joshua L. Chaffee
President.

John K. Allen
Secretary.

RIDOH 0204

H 1257
Approved
Mar. 15, 1963.

AN ACT in Amendment of Section 2 of an Act Entitled "An Act to Incorporate the Rhode Island Asylum for the Insane" as Amended (Which Corporation Is Presently Named "Butler Hospital").

It is enacted by the General Assembly as follows:

Section 1. Section 2 of an act entitled "An act to incorporate the Rhode Island Asylum for the Insane", enacted by the general assembly at its January session A.D. 1844, as amended by an act passed at the January session A.D. 1889, and as further amended by an act passed at the January session A.D. 1945, and as further amended by an act passed at the January session A.D. 1956 is hereby further amended so that it shall read as follows:

"Sec. 2. The corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of facilities for the care and treatment of the mentally ill, the prevention of mental illness, teaching and research in the field of mental health, and the establishment, maintenance and operation of a health center; provided that the income of its real and personal estate together does not in any one year exceed the sum of seven hundred and fifty thousand dollars, and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax. Upon the dissolution or liquidation of said corporation, after the payment of all obligations of the corporation, the remaining assets, if any, shall be distributed and transferred to charitable corporations, as defined in the internal revenue code, organized for the care and treatment of the mentally ill and/or the prevention of mental illness and/or teaching and research in the field of mental health and/or the establishment, maintenance and operation of a health center, in such amounts as may be determined by a vote of a majority of the members of the corporation present at a meeting duly held."

Sec. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistant herewith are hereby repealed.

RIDOH 0205

CERTIFICATE OF AMENDMENT TO CHARTER OF

BUTLER HEALTH CENTER

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

March 5, 1962

We, the undersigned officers of BUTLER HEALTH CENTER, a corporation duly incorporated at the January session, 1844, of the General Assembly of the State of Rhode Island by an "Act to incorporate 'the Rhode Island asylum for the insane'", hereby certify that at a meeting of the members of said corporation duly called for the purpose and held in the City of Providence in the State of Rhode Island on the 5th day of March, A.D. 1962, pursuant to the provisions of Section 6 of the Charter of said corporation, by the affirmative vote of a majority of the members present at said meeting, the name of said corporation was changed to BUTLER HOSPITAL, and said change was effective March 5, 1962.

ATTEST:

Alfred H. Butler
President

Andrew A. D. Butler
Secretary

STATE OF RHODE ISLAND

COUNTY OF PROVIDENCE

In the City of Providence, on this 12th day of ~~March~~ April, A.D. 1962, subscribed and sworn to before me.

Marjorie Medley
Notary Public

RIDOH 0206

AN ACT IN AMENDMENT OF SECTION 2 OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE", AS AMENDED.

H 1405
Approved
May 23, 1958.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled "An act to incorporate the Rhode Island Asylum for the Insane", passed at the January session of the general assembly, A. D. 1844, as amended by an act passed at the January session of the general assembly, 1906, and by an act passed at the January session of the general assembly, 1957, is amended to read as follows:

"Sec. 2. The corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of facilities for the care and treatment of the mentally ill, the prevention of mental illness, teaching and research in the field of mental health, and the establishment, maintenance and operation of a health center; provided that the income of its real and personal estate together does not in any one year exceed the sum of two hundred and fifty thousand dollars, and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax. Upon the dissolution or liquidation of said corporation, after the payment of all obligations of the corporation, the remaining assets, if any, shall be distributed and transferred to charitable corporations, as defined in the internal revenue code, organized for the care and treatment of the mentally ill and/or the prevention of mental illness and/or teaching and research in the field of mental health and/or the establishment, maintenance and operation of a health center, in such amounts as may be determined by a vote of a majority of the members of the corporation present at a meeting duly held."

SEC. 2. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

RIDOH 0207

H 1279
Approved
March 12,
1947.

AN ACT IN AMENDMENT OF SECTIONS 1, 4 AND 9 OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE," AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 1 of an act, entitled "An act to incorporate the Rhode Island asylum for the insane," passed at the January session of the general assembly, A. D. 1844, as amended by an act passed at the January session of the general assembly, 1906, is amended to read as follows:

"Section 1. Benjamin Aborn, Josiah Chapin, Amasa Manton, George W. Hallett, Amory Chapin, Thomas Burgess, John Carter Brown, Moses B. Ives, Robert H. Ives, Benjamin Hoppin, Elisha Dyer, Seth Adams, Jr., Shubael Hutchins, Samuel F. Mann, Joseph Carpenter, Royal Chapin, Francis Wayland, William G. Goddard, Thomas R. Hazard, George G. King, J. Smith, Byron Diman, Gideon Spencer, Edward W. Lawton, W. Updike, J. P. Hazard, Stephen Branch and their associates, who may hereafter be admitted members of the corporation hereinafter created, according to the by-laws thereof, are incorporated and made a body corporate and politic by the name and style of Butler Health Center; and by that name and style shall have perpetual succession; be capable of suing and being sued, pleading and being impleaded, answering and being answered unto, defending and being defended against, to final judgment and execution, in all courts of law and equity; and may have and use a common seal, to be by them devised, altered and renewed at their pleasure."

SEC. 2. Section 4 of an act, entitled "An act to incorporate the Rhode Island Asylum for the Insane," passed at the January session of the general assembly, A. D. 1844, as amended by acts passed at the October session of the general assembly, 1844, at the January session of the general assembly, 1852, and at the January session of the general assembly, 1947, is hereby amended to read as follows:

"SEC. 4. The said corporation and all the property and concerns of said corporation shall be under the management of a board of trustees. The board of trustees shall consist of the president, vice president, treasurer and secretary ex officiis, and twelve other members elected as follows: At the annual meeting of the corporation to be held in 1938, four trustees shall be elected to serve for one year, four trustees shall be elected to serve for two years, and four trustees shall be elected to serve for three years. At each annual meeting beginning with the annual meeting to be held in the year 1939, four trustees shall be elected to serve for three years. Each trustee shall serve until his successor is duly elected and qualified. Any vacancy in the board

RIDOH 0208

of trustees may be filled for the unexpired part of his term by the board of trustees."

SEC. 3. Section 6 of an act, entitled "An act to incorporate the Rhode Island asylum for the insane," passed at the January session of the general assembly, A. D. 1844, is hereby amended to read as follows:

"SEC. 6. It shall be lawful for the corporation, by affirmative vote of a majority of the members present at any meeting called for the purpose, to alter or change the name of said corporation or to otherwise amend its charter in any particular not inconsistent with law; and upon such change or amendment so made the corporation shall have the right to assume and take such name and to have, hold and enjoy all of the powers and privileges of said charter as so amended."

SEC. 4. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

RIDOH 0209

AN ACT IN AMENDMENT OF SECTIONS 4 AND 5 OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE", AS AMENDED.

S 14
Approved March 26, 1947.

It is enacted by the General Assembly as follows:

SECTION 1. Section 4 of an act entitled "An act to incorporate the Rhode Island Asylum for the Insane", enacted by the general assembly as its January session, A.D. 1844, as amended by an act entitled "An act in addition to 'An act to incorporate the Rhode Island Asylum for the Insane' ", enacted by the general assembly at its October session, A.D. 1844, and by an act entitled "An act in addition to 'An act to incorporate the Butler Hospital for the Insane' ", enacted by the general assembly at its January session, A.D. 1852, is hereby amended so that it shall read as follows:

"SEC. 4. The said asylum and all the property and concerns of the corporation shall be under the management of a board of trustees. During the period between the last annual meeting of the corporation preceding the enactment of this section and the next annual meeting of the corporation the board of trustees shall consist of the president, treasurer and secretary *ex officiis*, the ten other members elected at said last preceding meeting and such additional members, if any, but not to exceed three, as shall be elected by the board of trustees to serve until the next annual meeting of the corporation and until their successors are elected. Thereafter the board of trustees shall consist of the president, vice president, treasurer and secretary *ex officiis* and not less than nine or more than twelve other members elected at the annual meeting of the corporation in each year, which shall be held at such time as the by-laws shall prescribe, or elected as hereinafter provided, and to hold office until the next annual meeting of the corporation and until their successors are elected and qualified. If less than twelve such other members of the board of trustees are elected at any annual meeting of the corporation held after the enactment of this section, the board of trustees may at any time or from time to time elect additional members up to the maximum permitted, provided that if at the preceding annual meeting of the corporation the members of the board of trustees shall have been fixed at a definite number for the ensuing year, said number shall not be exceeded. Any vacancy in the board of trustees may be filled for the unexpired term by said board."

SEC. 2. Section 5 of said act entitled "An act to incorporate the Rhode Island Asylum for the Insane", enacted by the general assembly at its January session, A.D. 1844, as amended by an act entitled "An act in addition to 'An act to incorporate the Rhode Island Asylum for the Insane' ", enacted by the general assem-

RIDOH 0210

bly at its October session, A.D. 1844, is hereby amended so that it shall read as follows:

"SEC. 5. The said corporation shall at its annual meeting in each year elect a president, a vice president, a treasurer and a secretary and such other officers as it shall see fit. The said officers shall have such powers and duties as the said corporation may prescribe, and shall hold office until their respective successors are elected and qualified. A vacancy in any office may be filled for the unexpired term by the board of trustees."

SEC. 3. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

RIDOH 0211

H 507
Approved
April 24, 1945.

AN ACT IN AMENDMENT OF SECTION 2 OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE" AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act to incorporate the Rhode Island Asylum for the Insane, enacted by the general assembly at its January session, A. D. 1844, as amended by an act passed at the January session, A. D. 1889, is hereby amended so that it shall read as follows:

"SEC. 2. The said corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of an asylum for lunatic and insane persons, and for carrying into full effect the charitable and humane intentions of the corporation, provided that the income of its real and personal estate together do not in any one year exceed the sum of one hundred thousand dollars and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state 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."

RIDOH 0212

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE," PASSED AT THE JANUARY SESSION OF THE GENERAL ASSEMBLY A. D. 1844, AND OF THE SEVERAL ACTS IN AMENDMENT THEREOF AND IN ADDITION THERETO.

Passed April 11, 1906.

It is enacted by the General Assembly as follows:

SECTION 1. The name of the corporation created by act entitled "An act to incorporate the Rhode Island Asylum for the Insane," passed at the January session, A. D. 1844, of the general assembly, is hereby changed from Butler Hospital for the Insane, which latter name was adopted by said corporation in accordance with the provisions of section 6 of said act, to Butler Hospital; and by the name of Butler Hospital said corporation shall have all the rights, powers, and privileges and be subject to all the duties and liabilities it would have been entitled or subject to had not its name been changed as aforesaid.

SEC. 2. This act shall take effect upon its passage.

RIDOH 0213

Passed April 26, 1889.

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND ASYLUM FOR THE INSANE."

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act to incorporate the Rhode Island Asylum for the Insane, enacted by the general assembly at its January session, A. D. 1844, is hereby amended so that it shall read as follows:

"SEC. 2. The said corporation may take, and receive, hold, purchase, and possess, real and personal estate to be used and improved for the erection, support and maintenance of an asylum for lunatic and insane persons, and for carrying into full effect the charitable and humane intentions of the corporation, provided that the income of its real and personal estate together do not in any one year exceed the sum of fifty thousand dollars and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state or town tax."

RIDOH 0214

An Act in addition to the act, in relation to the Butler Hospital for the Insane.

It is enacted by the General Assembly as follows:

Act relative to Butler Hospital.

Section 1. The party at whose request a person is admitted into the Butler Hospital for the Insane, shall have the right of removing such person therefrom; and also the parties, who by their own free act and accord, (and not by the operation of law,) have become responsible for the payment of the expenses of any patient, shall have the same right of removing such patient, if the terms of the obligation require the removal in order to avoid farther responsibility, but, such shall not extend beyond the two parties before described. *Provided, however*, that the superintendent of the hospital, on the application of any relative or friend, may with the approbation in writing of the visiting committee of the trustees, discharge any patient in the hospital, not committed by process of law.

RIDOH 0215

AN ACT in addition to an act to incorporate the Butler Hospital for the Insane.

It is enacted by the General Assembly as follows:

Act relative to Butler Hospital

SECTION 1. The board of trustees of the Butler Hospital for the Insane, may at any quarterly or other regular meeting thereof, elect members to fill vacancies which may happen in the board, by death, resignation or otherwise: and the members so elected shall severally hold their offices until the next annual meeting of the corporation, and until others are elected in their places.

RIDOH 0216

AN ACT in amendment of an act entitled "an act in relation to the support of poor and the custody of dangerous insane persons."

It is enacted by the General Assembly as follows:

Custody Insane.

Section 1. Whenever any person or town now or hereafter chargeable with the expense of keeping in the Butler hospital for the insane, any lunatic or person furiously mad, committed thereto and received by said hospital in conformity with the second section of the act to which this is in amendment, shall neglect to pay such expense, it shall be the duty of the attorney general, on complaint of the superintendent of said hospital, to institute a suit in the name of the said hospital, and at the expense of the state, against the person or town so neglecting, for the recovery of such expense, and to prosecute the same to final judgment and execution, for the benefit of said hospital.

Section 2. Whenever any insane person shall be committed to the Butler hospital, in conformity to the act to which this is in amendment, the magistrate so committing him shall state in the warrant of commitment the name of the town in which such insane person was taken up; and in case the maintenance and support of such insane person shall not be chargeable upon any town or person in this state, the town in which such person shall be arrested, shall be liable to pay the costs and expenses of his arrest and of his detention in said hospital, in the same manner as if he was chargeable to said town as a poor person settled therein, and sued for by the attorney general, on the complaint of the superintendent of said hospital, in the name and for the benefit of said hospital, at the expense of the state: *Provided*, that in such case, the town in which such insane person shall be arrested, shall have a right at any time to remove such person to the place of his legal settlement in any of the United States, if the same can be ascertained.

RIDOH 0217

AN ACT in addition to "An act to incorporate the Rhode Island Asylum for the Insane."

It is enacted by the General Assembly as follows:

Asylum for the Insane.

The said corporation at their annual or other legal meeting, may elect a president, treasurer and secretary, who when chosen, shall remain in office until others are chosen and qualified in their stead: 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 of the board possess and enjoy.

RIDOH 0218

AN ACT to incorporate The Rhode Island Asylum for the Insane.

Whereas, a codicil to the last will and testament of the late Nicholas Brown, which bears date the third day of March in the year of our Lord one thousand eight hundred and forty-one, contains the following provision, viz:

"And whereas, it has long been deeply impressed on my mind, that an insane or lunatic hospital or retreat for the insane, should be established upon a firm and permanent basis, under an act of the legislature, where that unhappy portion of our fellow beings who are by the visitation of Providence, deprived of their reason, may find a safe retreat, and be provided with whatever may be most conducive to their comfort and to their restoration to a sound state of mind: Therefore, for the purpose of aiding an object so desirable, and in the hope that such an establishment may soon be commenced, I do hereby set apart, and give and bequeath the sum of thirty thousand dollars toward the erection or endowment of an insane or lunatic hospital or retreat for the insane, or by whatever other name it may be called: to be located in Providence or its vicinity. And I do hereby order and direct my said executors to pay the said sum of thirty thousand dollars in the promotion and advancement of an institution for that object; trusting and confiding in my executors, that they will carefully examine and be satisfied that the establishment is placed on a firm and legal basis, and that the payment of the above amount will be made at such times, and in such sums, as will best promote the desired object and be least prejudicial to the settlement of my own estate; hoping that my sons and other friends will co-operate in the humane and benevolent design, that the benefits of the institution may soon be realized."

Therefore, for the purpose of furthering the humane and christian object contemplated in the foregoing provision of the last will and testament of the late Nicholas Brown:

It is enacted by the General Assembly as follows:

Section 1. Benjamin Aborn, Josiah Chapin, Amasa Manton, George W. Hallett, Amory Chapin, Thomas Burgess, John Carter Brown, Moses B. Ives, Robert H. Ives, Benjamin Hoppin, Elisha Dyer, Seth Adams Jr., Shubael Hutchins, Samuel F. Man, Joseph Carpenter, Royal Chapin, Francis Wayland, William G. Goddard, Thomas R. Hazard, George G. King, J. Smith, Byron Dimon, Gideon Spencer, Edward W. Lawton, W. Updike, J. P. Hazard, Stephen Branch, and their associates who may hereafter be admitted members of the corporation hereinafter created, according to the by-laws thereof, are incorporated and made a body corporate and politic, by the name and style of *The Rhode Island Asylum for the Insane;* and by that name and style shall have perpetual succession; be capable of suing and being sued; pleading and being impleaded; answering and being answered unto; defending and being defended against to final judgment and execution, in all courts of law and equity; and may have and use a common seal to be by them devised, altered and renewed at their pleasure.

R I Asylum for the Insane.

RIDOH 0219

Sec. 2. The said corporation may take and receive, hold, purchase and possess real and personal estate, to be used and improved for the erection, support and maintenance of an asylum for lunatic and insane persons, and for carrying into full effect the charitable and humane intentions of the corporation: *provided*, that the income of its real and personal estate together, do not in any one year exceed the sum of twenty thousand dollars: and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state or town tax.

Sec. 3. 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 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 the United States: and may generally do and transact all other matters and things fit and proper for bodies corporate to do and transact.

Sec. 4. The said asylum 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.

Sec. 5. The said corporation may at their first or any subsequent meeting, choose all 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 period of time as the by-laws of the said corporation may provide.

Sec. 6. It shall be lawful for the corporation at any general meeting of the members thereof, to alter or change the name of the said corporation, either by substituting or inserting the name of any distinguished benefactor and patron, or by adding the name of such distinguished benefactor and patron to the name given to said corporation by this act: and upon such change so as aforesaid made, the said corporation shall have a right to assume and take such name, and have, hold, and enjoy all the powers and privileges given by this act, nothwithstanding such alteration and change.

Sec. 7. Any three of the associates mentioned in the first section, are hereby authorized and empowered to call the first meeting of said corporation by notification, and therein to appoint the time and place of said meeting; which notification shall be published in two of the newspapers printed in Providence, and one in Newport, for three successive weeks before the day of such meeting.

RIDOH 0220

Amended and Restated Bylaws of Butler Hospital

CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • WOMEN & INFANTS HOSPITAL
VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

TABLE OF CONTENTS

Purposes, Powers and Offices 1

Purposes 1

Powers 2

Offices 2

Members 2

Classes, Number and Voting of Members 2

Election and Term of Individual Members 3

Resignation of Individual Members 3

Removal of Individual Members 3

Member Meeting 4

Place of Meetings-Members 4

Notice for Meetings-Members 4

Waiver of Notice-Members 4

Quorum-Members 5

Action at Meetings-Members 5

Written Consents-Corporate Member 5

Proxies-Members 5

Board of Directors 5

Authority of the Board 5

Number of Directors 6

Meetings of the Board 6

Places of Meeting-Board 6

Notice for Meetings-Board 6

Waiver of Notice-Board 7

Quorum-Board 7

Action at Meetings-Board 7

Participation by Telephone-Board 8

Written Consent-Board 8

Reimbursement of Expenses-Board 8

Committees 8

Committees 8

Term and Election-Committee Members 9

Resignation, Removal and Vacancy-Committee Members 9

Meetings-Committees 9
Waiver of Notice-Committees 10
Quorum-Committees 10
Action at Meetings-Committees; Written Consents 10
Participation by Telephone-Committees 11
Quality Committee 11
Reimbursement of Expenses–Committee Members 11
Officers 11
Officers 11
Election and Term-Officers 12
Resignation-Officers 12
Removal-Officers 12
Vacancy-Officers 12
Authority and Duties-Officers 12
Academic and Medical Officers; Medical Staff 13
Academic and Medical Officers 13
Organization and Duties of the Medical Staff 14
Medical Staff Association Bylaws 15
Seal 16
Seal 16
Fiscal Year; Annual Reports 16
Fiscal Year 16
Annual Reports 16
Execution of Documents 16
Execution of Documents 16
Limitation of Liability 17
Limitation of Liability 17
Indemnification 17
Agreement of the Corporation 17
Definitions 17
Advance Payment of Expenses 18
Exclusions 18
Notice to the Corporation; Insurance 19
Indemnification 19

Settlement 20
Rights Not Exclusive 21
Enforcement 21
Severability 21
Successors and Assigns 21
Amendment of this Article 11 22
Non-Profit Status and Relationship to Care New England 22
Non-Profit Status 22
Relationship to Care New England 22
Auxiliary Organizations and Volunteers 23
Auxiliary Organizations and Volunteers 23
Amendments 23
Amendments 23

AMENDED AND RESTATED
BYLAWS
of
BUTLER HOSPITAL

Article 1

Purposes, Powers and Offices

Section 1.1 **Purposes**. Butler Hospital (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 serve as a center for mental health care in Rhode Island by (i) establishing and maintaining an institution or institutions with medical facilities for the diagnosis, care and treatment of persons suffering from mental illness, substance abuse and other behavioral disorders; (ii) providing mental health and substance abuse programs on a direct or referral basis including such services as acute and subacute inpatient, residential services, outpatient, partial hospital, emergency and consultation; (iii) promoting in conjunction with other hospitals, health agencies, mental health centers and medical schools clinical, educational, research programs on a community-wide basis to improve the standards of mental health care in Rhode Island; (iv) providing in the field of psychiatry and human behavior, either alone or in cooperation with other institutions, educational programs of the highest quality in order to improve mental health services and substance abuse treatment, and to prepare professionals for the mental health field; (v) promoting and carrying on scientific research related to the care of persons suffering from mental illness, substance abuse or other behavioral disorders insofar as, in the judgment of the Board of Directors of the Corporation (the "**Board**" or "**Board of Directors**"), such research may be carried on in, or in connection with, Butler Hospital; (vi) committing itself to continuous performance improvement, which includes: providing excellence in mental health care and substance abuse treatment, continuously assessing and improving the standards of mental health care and substance abuse treatment, committing the resources necessary to achieve these goals in the community in which Butler Hospital operates, and providing superior facilities and needed services to enable its medical and clinical staff to

RIDOH 0225

best serve the needs and expectations of all patients and to generate measurable benefits for Butler Hospital, its medical staff and employees; (vii) participating, so far as circumstances may warrant, in any other community activity designed or carried on to promote mental health, freedom from chemical dependency, and recognition and treatment of behavioral disorders; (b) establishing a school of nursing or other program(s) of professional education and training relating to mental health care and/or the care and treatment of the mentally ill; (c) to carry out the purposes set forth in the Charter of the Corporation (the "**Charter**");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**").

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 furtherance of the purposes set forth in the Charter and these Amended and Restated Bylaws of the Corporation (the "**Bylaws**").

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 of Directors.

Article 2

Members

Section 2.1 **Classes; Number and Voting of Members**.

(a) The Corporation shall have two classes of members: (a) the "**Corporate Member**" which shall be Care New England Health System ("**Care New England**") (or any successor to Care New England by reason of merger, consolidation, sale of all or substantially all of the assets of Care New England or otherwise); and (b) the "**Individual Members**" which shall consist of those individuals elected by the Members pursuant to Section 2.2. For purposes of these Bylaws, the "**Members**" shall mean the Corporate Member and the Individual Members, collectively.

RIDOH 0226

(b) Each Member shall be entitled to one vote; provided, however that the Individual Members shall have only the right to vote for the election of Individual Members. The Corporate Member may vote by presenting a resolution (certified by the secretary of the Corporate Member) on any matter properly before any meeting of the Members or may vote through a person designated by the Corporate Member for such purpose.

Section 2.2 **Election and Term of Individual Members**. At the annual meeting of the Members, or any special meeting called for the purpose of electing Individual Members, the Members shall elect, from those nominees recommended by the Governance and Nominating Committee of the Corporate Member (the "**Governance and Nominating Committee**") (which Governance and Nominating Committee shall make such recommendations after consultation with the board of directors of Butler Hospital Foundation), that number of nominees to fill vacancies or new Individual Member positions; provided, however that the Governance and Nominating Committee shall nominate a maximum of thirty (30) new Individual Members (except that the Board may approve nomination by the Governance and Nominating Committee of a greater number of Individual Members). The Governance and Nominating Committee shall deliver the nominee recommendations to the Secretary of the Corporation (the "**Secretary**") not less than fourteen (14) days prior to the annual meeting of the Members or special meeting called for the purpose of electing Individual Members. Each Individual Member shall serve for a term of five (5) years unless he or she resigns or is removed pursuant to Section 2.3 or Section 2.4, respectively. There is no limit to the number of terms an Individual Member may serve.

Section 2.3 **Resignation of Individual Members**. Any Individual 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. The resignation of any such Individual 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.

Section 2.4 **Removal of Individual Members**. Except with respect to those individuals serving as an Individual Member as described in (a)(i) and (a)(ii), any Individual Member may be removed with or without cause by a majority vote of the Board.

RIDOH 0227

Section 2.5 **Member Meetings**. An annual meeting of the Members shall be held on the third Tuesday of January in each year at such time and place as may be determined by the Board of Directors. A special meeting of the Members shall be called by the Secretary (or other person as directed by the Board of Directors) upon the request of the Chairperson, any three (3) members of the Board of Directors, the Corporate Member or at least twenty-five (25) of the Individual Members and the business transacted at any special meeting of the Members shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 2.6 **Place of Meetings – Members**. All annual and special meetings of the Members 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 written notice for such annual or special meeting.

Section 2.7 **Notice for Meetings – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of the annual meeting and any special meeting to each Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special 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 2.8 **Waiver of Notice – Members**. A 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 Member at a meeting shall constitute waiver of notice of that meeting, except where such attending Member (a) objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened; or (b) objects before a vote on an item of business because the item of

business may not be lawfully considered at such meeting and does not participate in consideration of such item of business at the meeting.

Section 2.9 **Quorum – Members**. A quorum shall exist at a meeting of the Members to elect Individual Members if the Corporate Member (through its duly authorized representative) and at least twenty-five (25) Individual Members are present (in person or by proxy). At any other meeting of the Members, a quorum shall exist if the Corporate Member (through its duly authorized representative) is present. In the absence of a quorum at any meeting of the Members, the Members entitled to vote present in person or by proxy at such meeting shall have the power to adjourn the meeting to another place, day and hour with notice given to the Members in the same manner as a special meeting.

Section 2.10 **Action at Meetings – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the affirmative vote the Corporate Member (through its authorized designee) and a majority of the Individual Members present in person or by proxy at a meeting at which a quorum is present shall be required to elect Individual Members. All other actions require the affirmative vote of the Corporate Member (through its authorized designee).

Section 2.11 **Written Consents – Corporate Member**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Corporate Member may take action without a meeting in a written consent setting forth the action and signed by the Corporate Member; which written consent(s) shall be placed in the records of the Corporation.

Section 2.12 **Proxies – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Members vote either in person, by proxy or by consent vote. No proxy which is dated more than six (6) months before the meeting shall be accepted and no proxy shall be filed after final adjournment of a meeting. Proxies shall be delivered to the Secretary and placed in the records of the Corporation.

Article 3

Board of Directors

Section 3.1 **Authority of the Board**. Except as otherwise expressly required by law, the Charter or these Bylaws, the affairs of the Corporation shall be managed by the Board of

RIDOH 0229

Directors and the Board of Directors shall have, and may exercise, all of the powers of the Corporation.

Section 3.2 **Number of Directors**. The directors of the Board (each a "**Director**") shall be those individuals then-serving as directors of the board of directors of the Corporate Member.

Section 3.3 **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 following, the annual meeting of the board of directors of the Corporate Member 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 3.4 **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 3.5 **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 Charter 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 3.6 **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 3.7 **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 3.8 **Action at Meetings – Board**. Except as otherwise expressly required by law, the Charter 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 controlled affiliate of the Corporation;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any controlled affiliate of the Corporation of another provider or system of providers;

(c) any material change in the mission of the Corporation or any controlled affiliate of the Corporation; or

(d) any change in the provisions of this Section 3.8 or similar provision in the bylaws of any controlled affiliate of the Corporation.

RIDOH 0231

The actions set forth above that involve the Corporation are also subject to the approval of the board of directors of the Corporate Member.

Section 3.9 **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 the Corporate Member 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 3.10 **Written Consents – Board**. Except as otherwise expressly required by law, the Charter 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 3.11 **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 3.11 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 a Quality Committee. The Board of Directors may designate such other committees (such as a Visiting Committee to visit and investigate Butler Hospital at such intervals as the Board may direct) to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such other committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Corporation), shall be subject to the Corporate Member's

Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Corporate Member. 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**. For the Quality Committee and any other committee designated by the Board, the Board shall elect individuals to serve on such committees from those nominees recommended by the Governance and Nominating Committee. Those committee members serving on the Quality Committee shall serve for a term of one (1) year and may not serve on the Quality Committee for more than three (3) consecutive one (1) year terms. Unless otherwise determined by the Board, the term of each committee member of any other committee designated by the Board 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**. 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.

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

RIDOH 0234

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 **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 one (1) or more 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 4.10 **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 4.10 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, 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.

RIDOH 0235

Section 5.2 **Election and Term – Officers**. The officers of the Corporation shall be elected by the Board at the annual meeting from those nominees recommended by the Governance and Nominating Committee 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 Members and 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. The President and Chief Executive Officer shall have the necessary authority

RIDOH 0236

and shall be held responsible for the administration of the Corporation in all of its activities and departments, subject to the Charter, these Bylaws and such policies as may be adopted and such orders as may be issued by the Board or any of its committees to which it has delegated power for such action. Notwithstanding any provision to the contrary, the President and Chief Executive Officer shall serve at the pleasure of the President and Chief Executive Officer of the Corporate Member, and any action with respect thereto shall be taken after consultation with the board of directors of the Corporate Member.

(c) Each officer (other than the Chairperson and the President and Chief Executive Officer) 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

Academic and Medical Officers; Medical Staff

Section 6.1 **Academic and Medical Officers**.

(a) Psychiatrist-in-Chief. The Board shall appoint a Psychiatrist-in-Chief of Butler Hospital ("**Psychiatrist-in-Chief**") who shall serve as the senior professional physician directly responsible to the Board for management and operation of the academic research programs of Butler Hospital. The Psychiatrist-in-Chief will participate in long-range planning and in formulation of academic and clinical goals, and coordinate program development. The Psychiatrist-in-Chief shall be an *ex officio* member of any executive/planning committee, medical matters committee and/or joint conference committee designated by the Board. The Psychiatrist-in-Chief shall serve at the pleasure of the Board and may be removed with or without cause by the Board.

(b) Medical Director(s). The President and Chief Executive Officer, following consultation with the Psychiatrist-in-Chief and Chair of the Department of Psychiatry of Brown University, shall appoint Medical Director(s) who shall serve as the Chief Medical Operating Officer(s), who shall be responsible for the management and administration of the medical and clinical operations of Butler Hospital and who shall assist the medical staff association members of Butler Hospital (the "**Medical Staff**") with its organization and medico-administrative responsibilities. The Medical Director(s) shall be responsible to the President and

RIDOH 0237

Chief Executive Officer for business, regulatory and legal matters, and to the Psychiatrist-in-Chief for professional and academic matters. Each Medical Director shall serve at the pleasure of the President and Chief Executive Officer, and any action with respect thereto shall be taken after consultation with the Board. Duties of the Medical Director(s) will include:

(i) Allied Professional Staff: The Medical Director(s) shall design and implement procedures assuring that licensed health professionals engaged in rendering patient care within the Hospital other than physicians (including, without limitation, psychologists, social workers and substance abuse counselors) will be qualified by training and experience to exercise such privileges as may be required of such personnel. Such procedures shall (x) provide for credentials review, delineation of clinical and/or administrative privileges and supervision requirements, as well as the development of such recommendations as to the foregoing to the Board as will enable the Board to take informed action thereon; (y) assure that the quality and appropriateness of patient care provided are monitored and evaluated as part of Butler Hospital's quality assessment and improvement programs; and (z) be subject to the approval of the executive committee of the Medical Staff.

(ii) Other Direct Patient Care Providers: The Medical Director(s) shall institute and maintain a process to assure that all individuals who provide patient care services are competent to provide such services and shall report to the Board at least annually with regard to the competence of all direct patient care providers who are not otherwise credentialed through a staff delineation of privileges process. The quality of patient care services provided by these individuals shall be reviewed as part of Butler Hospital's process to assess and improve quality. The competence of individuals who provide patient care services or support services under contract with other institutions and who are not subject to the Medical Staff privilege delineation process is assured through such institutions' accreditation, certification and/or quality assurance activities.

Section 6.2 **Organization and Duties of the Medical Staff**. The Board shall organize the physicians and appropriate other persons granted practice privileges at Butler Hospital into a self-governing medical staff (the "**Medical Staff**"). The Board shall delegate to the Medical Staff the responsibility and authority to oversee the quality of care, treatment and services provided by practitioners with clinical privileges; which responsibility and authority includes investigation of matters relating to the selection and appointment to the Medical Staff, granting

RIDOH 0238

of clinical privileges and any corrective action and submitting to the Board (or any committee delegated with such authority by the Board) recommendations on the foregoing with such supporting documentation as will enable the Board (or any committee delegated with such authority by the Board) to take action thereon.

Section 6.3 **Medical Staff Association Bylaws**. The Medical Staff shall organize, adopt and maintain medical staff association bylaws (the "**Medical Staff Bylaws**"), consistent with these Bylaws, Butler Hospital rules and regulations and applicable law, for the governance of the Medical Staff; which Medical Staff Bylaws shall include at least the following:

(a) Methods of selection, election or appointment of all officers and other executive committee members and officers;

(b) Provisions for selection and appointment of officers of departments or services specifying required qualifications;

(c) The type, purpose, composition and organization of standing committees;

(d) Frequency and requirements for attendance at Medical Staff departmental meetings;

(e) An appeal mechanism for denial of Medical Staff appointments, reappointments and privileges;

(f) Delineation of clinical privileges of non-physician practitioners;

(g) Designation of personnel qualified to prescribe or administer drugs;

(h) Requirements regarding medical records;

(i) A mechanism for utilization and medical care review;

(j) Provisions for a program permitting selected individuals other than physicians or other licensed, registered or certified personnel to perform extended, defined patient care functions; and

(k) Such other provisions as shall be required by Butler Hospital or governmental rules and regulations.

Any recommendations of the Medical Staff to amend, or amend and restate, the Medical Staff Bylaws shall be subject to approval by the Board. When adopted, the Medical Staff Bylaws shall be considered a part of the rules and regulations of Butler Hospital.

RIDOH 0239

Article 7

Seal

Section 7.1 **Seal**. The corporate seal shall consist of circular device having inscribed thereon the words and figures "Butler Hospital, incorporated 1844, *Misaris Succerrer Disce*," and such additional material as may be prescribed from time to time by the Board, inscribed thereon.

Article 8

Fiscal Year; Annual Reports

Section 8.1 **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 8.2 **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 9

Execution of Documents

Section 9.1 **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 10

Limitation of Liability

Section 10.1 **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 10.1 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 10.1 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 10.1 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 11

Indemnification

Section 11.1 **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 11.2).

Section 11.2 **Definitions**. Capitalized terms used in this Error! Reference source not found., 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.

RIDOH 0241

(b) "**Excluded Claim**" has the meaning set forth in Section 11.4.

(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 11.3 **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 11.4 **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

RIDOH 0242

(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 11.5 **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 11.5) resulting in a denial of coverage.

Section 11.6 **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 11.6(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 11.6(a)(i) or by a committee of the Board established in a manner described in Section 11.6(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 11.6(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 11.6(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 11.7 **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

RIDOH 0244

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 11.8 **Rights Not Exclusive**. The rights provided in this Article 11 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 11.9 **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 11.6.

(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 11.10 **Severability**. If any provision in this Article 11 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 11 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 11 shall be enforceable in accordance with its terms.

Section 11.11 **Successors and Assigns**. The provisions of this Article 11 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 11.12 **Amendment of this Article 11** No amendment or termination of this Article 11 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 12

Non-Profit Status and Relationship to Care New England

Section 12.1 **Non-Profit Status**. 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, trustees, 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 the Charter and these Bylaws. In the event of any liquidation or dissolution of the Corporation, no 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 Board of Directors, after the payment of all its debts and obligations, shall distribute all of the assets of the Corporation in such manner, and to such organization(s) organized and operated for charitable, scientific and educational purposes as shall at the time qualify as an exempt organization(s) under the Code, or to such cities, towns and subdivisions thereof, as the Board shall determine.

Section 12.2 **Relationship to Care New England**. The Corporation functioned autonomously until 1996, when it combined with Kent County Memorial Hospital and Women & Infants Hospital of Rhode Island to form Care New England, a non-profit holding company of which the three (3) hospitals are controlled affiliates. While each hospital within the Care New England system continues to be governed by its governing board in accordance with its corporate mission, Care New England is the sole member of the Corporation and the individuals serving as the directors of the Corporation are those individuals then-serving as the directors of the Care New England board of directors. Further, the approval of Care New England is required for significant corporate and strategic actions on the part of the Corporation.

RIDOH 0246

Article 13

Auxiliary Organizations and Volunteers

Section 13.1 **Auxiliary Organizations and Volunteers**. Any auxiliary organization shall operate under written bylaws approved by the Board. The Board shall establish a mechanism to utilize services provided by individual volunteers.

Article 14

Amendments

Section 14.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Board in accordance with Section 3.8 or Section 3.10, as applicable and the approval of the Corporate Member.

Adopted on June 28, 2012

RIDOH 0247

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State

Matthew A. Brown
Secretary of State

Date: August 8, 2006

Kent County Memorial Hospital
(26 Pages)

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS

Matthew Brown

Secretary of State

By

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS · SEAL OF THE · 1636 · HOPE

Filing Fee: $20.00

ID Number: 3/4/86

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 Kent County Memorial Hospital
2. The fictitious business name to be used is Kent Hospitalists ok
3. The state or other jurisdiction under the laws of which it is incorporated is Rhode Island
4. The date of incorporation is April 25, 1946

Under penalty of perjury, I declare that the information contained herein is true and correct.

Dated May 28, 1999

Kent County Memorial Hospital
(Name of Applicant Non-profit Corporation)

By _____
(Signature of Authorized Person)

Vice President & General Counsel
(Title)

RECEIVED

JUN 09 1999

MD-22-2092

Form No. NP-15
Revised 9/97

RIDOH 0249

Filing Fee: $20.00

ID Number: 31496

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 Kent County Memorial Hospital
2. The fictitious business name to be used is Kent Primary Care Associates
3. The state or other jurisdiction under the laws of which it is incorporated is Rhode Island
4. The date of incorporation is April 25, 1946

Under penalty of perjury, I declare that the information contained herein is true and correct.

Dated 11/6 98, 1999

Kent County Memorial Hospital
(Name of Applicant Non-profit Corporation)

By _____
(Signature of Authorized Person)

Vice President & General Counsel
(Title)

JUN 08 1999

Form No. NP-15
Revised 9/97

RIDOH 0250

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

FILED
FEB 07 1996
BY 135246

Kent County 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 Kent County Memorial Hospital

SECOND: The following amendment to the Articles of Incorporation was adopted by the corporation:

(Insert Amendment)

Section 1 was amended to read as follows:

"There is hereby created a corporation by the name of Kent County Memorial Hospital for the purpose of organizing, erecting, acquiring, equipping, supporting, operating and maintaining a non-profit hospital for the sick, disabled, and injured in Kent County, in the State of Rhode Island; and in connection therewith and for the purposes of carrying into full effect the charitable and humane intentions of the corporation, to acquire land by purchase, lease, gift or devise, and to erect thereon or otherwise acquire suitable buildings and equipment, with all powers and privileges and subject to all other duties and liabilities set forth in the Rhode Island Non-Profit Corporation Act and in any acts in amendment thereof or in addition thereto. The Corporation shall have two classes of membership: the Corporate Member and Individual Members, the powers of which classes of members shall be set forth in the Bylaws of the Corporation. The Individual Members shall include the President, the Vice-President, the Secretary and the Treasurer of Kent County Medical Society, ex officio, and such other individuals who have been or are hereafter admitted to the membership of the Corporation pursuant to the Bylaws of the Corporation in effect from time to time."

Form No. N-2A

THIRD: The amendment was adopted in the following manner: (Note 1)

"The amendment was adopted at a meeting of members held on February 6, 1996, 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 .....February 6, ... , 19 96

Kent County Memorial Hospital ..... (Note 2)

By John J. Hynes ..... (Note 3)

Its ..... President

and Marie C. Laurence ..... (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.

AFFIDAVIT

I, Thomas R. Courage of Hinckley, Allen & Snyder, hereby swear and affirm that the following persons were elected as President and Secretary respectively of Kent County Memorial Hospital, a Rhode Island non-profit corporation (the "Corporation") at the Annual Meeting of the Corporation held on November 28, 1995.

President:	John J. Hynes
Secretary:	Marie C. Laurence

Thomas R. Courage

Thomas R. Courage

State of Rhode Island
County of Providence

In Providence on this seventh day of February 1996, before me personally appeared Thomas R. Courage, a partner of Hinckley, Allen & Snyder, to me known and known by me to be the party acknowledging said instrument by him executed.

Notary Public
My Commission Expires 7/14/97

TRC:XC020078 .BY8

Eleanore F. Gaines, Notary Public
State of Rhode Island and Providence Plantations
My Commission Expires: 7/14/97

AGREEMENT OF MERGER

AGREEMENT OF MERGER, dated as of the 17th day of October, 1974, pursuant to Section 7-6-18 of the General Laws of Rhode Island, 1956, as amended, by and between KENT COUNTY MEMORIAL HOSPITAL, a non-business, non-profit organization incorporated under the laws of the State of Rhode Island, hereinafter sometimes called "Kent Hospital" or "the surviving corporation", and PROVIDENCE FLOATING HOSPITAL ASSOCIATION, a non-business, non-profit organization incorporated under the laws of the State of Rhode Island, hereinafter sometimes called "The Floating Hospital", (both such corporations being sometimes referred to together as "the constituent corporations"):

W I T N E S S E T H:

WHEREAS, the Board of Trustees of Kent Hospital and the Board of Directors and the Executive Committee of The Floating Hospital deem it advisable that the constituent corporations merge into a single corporation, on the terms and

conditions hereinafter set forth, in order more effectively to provide hospital services to the public, particularly services to children for whose benefit The Floating Hospital exists.

WHEREAS, the assets of The Floating Hospital which will be transferred to Kent Hospital pursuant to such merger consist of two funds; namely, a fund received under the SIXTH clause of the will of Gertrude W. Harrop, late of the City of Providence, Rhode Island, pursuant to which the income and principal thereof are to be used from time to time in the discretion of the President for the time being of said corporation for the purpose of providing and/or maintaining recreational equipment for the use of said Hospital, and a fund received under Article EIGHTH of the last will of Mary H. Sackett, late of the City of Providence, Rhode Island, pursuant to which the fund is to be held as a permanent fund to be known as the Henry W. and Mary H. Sackett Fund, and the income therefrom to be applied from time to time to the general uses and purposes of said Association.

RIDOH 0255

WHEREAS, Kent Hospital has created and is maintaining within its indowment funds an account designated as "Providence Floating Hospital Children's Fund" for the purpose of administering certain assets already transferred to it by The Floating Hospital pursuant to proper action of the Board of Directors and the Executive Committee of The Floating Hospital and of the Board of Trustees of Kent Hospital, subject to the limitation that the principal and the interest of said Fund shall be used only for the care and treatment of the children of needy and indigent parents.

WHEREAS, Kent Hospital upon receipt of said Harrop Fund and said Sackett Fund will allocate the same to said Providence Floating Hospital Children's Fund account and will allocate the income from said Harrop Fund from time to time for the provision and maintenance of recreation equipment for undernourished and underprivileged children being treated at the hospital pursuant to the terms of the Harrop bequest and will allocate the income from the Sackett Fund for the care and treatment of the children of needy and indigent parents pursuant to the Sackett bequest

RIDOH 0256

WHEREAS, Section 7-6-18 of the General Laws of Rhode Island, 1956, as amended, permits the merger of non-business corporations organized and existing under the laws of the State of Rhode Island.

WHEREAS, at least two-thirds (2/3) of the Board of Trustees of Kent Hospital and two-thirds (2/3) of the Board of Directors and two-thirds (2/3) of the Executive Committee of The Floating Hospital present and voting at meetings of said Boards and said Committee, each duly called for such purpose, have voted to merge and have approved and authorized the terms and conditions contained herein, certified copies of said votes being attached hereto as Exhibit A, Exhibit B and Exhibit C respectively.

NOW, THEREFORE, the constituent corporations, parties to this Agreement, in consideration of the mutual covenants, agreements and provisions hereinafter contained, do hereby prescribe the terms and

RIDOH 0257

conditions of said merger, the mode of carrying the same into effect and such other terms and provisions as are determined necessary or proper, as follows:

ARTICLE I

MERGER

1. The Floating Hospital shall be, and it hereby is, merged into Kent Hospital, and Kent Hospital shall and does hereby merge into itself The Floating Hospital to form a single, surviving corporation, a non-business corporation organized and existing under the laws of the State of Rhode Island, the name of which shall be "Kent County Memorial Hospital".

2. The principal office of the surviving corporation shall be located in the City of Warwick and State of Rhode Island.

3. The purpose for which the surviving corporation is constituted is the charitable and humane purpose set forth in the Act to Incorporate Kent County Memorial Hospital adopted by the General Assembly of the State of Rhode Island at its January Session A.D. 1946 and approved April 25, 1946;

RIDOH 0258

namely, organizing, erecting, acquiring, equipping, supporting, operating and maintaining a non-profit hospital for the sick, disabled and injured in Kent County, in the State of Rhode Island.

ARTICLE II

EFFECTIVE DATE

This merger shall become effective upon approval by the Administrator of Charitable Trusts for the State of Rhode Island and upon the filing of this Agreement with the Secretary of State of Rhode Island.

ARTICLE III

ACT OF INCORPORATION

The said Act to Incorporate Kent County Memorial Hospital, as amended from time to time, shall remain in full force and effect as the Act of Incorporation of the surviving corporation.

RIDOH 0259

ARTICLE IV

BY-LAWS OF THE SURVIVING CORPORATION

Until altered, amended or repealed, as therein provided, the by-laws of Kent Hospital as they shall exist on the effective date of this Agreement shall be the by-laws of the surviving corporation.

ARTICLE V

TRUSTEES AND OFFICERS OF THE SURVIVING CORPORATION

The first board of trustees of the surviving corporation after the effective date of this Agreement shall be the Board of Trustees of Kent Hospital as it shall be constituted on the effective date of this Agreement, each member thereof to hold office until his successor is duly elected and qualified pursuant to the by-laws of the surviving corporation.

The first annual meeting of the members of the surviving corporation after the effective date of this Agreement shall be the annual meeting provided by the by-laws of the surviving corporation.

The officers of the surviving corporation, who shall serve until their respective successors are

RIDOH 0260

duly elected and qualified pursuant to the by-laws of the surviving corporation, shall be the officers of Kent Hospital holding office on the effective date of this Agreement.

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 of this Agreement may be called or may convene in the manner provided in the by-laws of the surviving corporation.

The surviving corporation may have such other officers as shall be provided for in its by-laws.

If on the effective date of the merger a vacancy shall exist in any trusteeship of the surviving corporation or in any of the offices above specified by reason of the inability or failure of any of the above persons to accept the trusteeship in the surviving corporation or the respective office above specified, as the case may be, such vacancy may thereafter be filled in the manner provided in the by-laws of the surviving corporation.

RIDOH 0261

ARTICLE VI

MEMBERSHIP

Upon the effective date of the merger, the membership of the surviving corporation shall consist of all the members of Kent Hospital.

ARTICLE VII

EFFECT OF MERGER

1. Upon the effective date of the merger, the corporate existence of the constituent corporations shall be continued in the surviving corporation, and all the property, rights, privileges, franchises and other assets of every kind and description of The Floating Hospital shall be transferred to, 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 and every other interest of each of the constituent corporations shall be as effectively the property of the surviving corporation as they were of the respective constituent corporations. The title to any real estate, whether

RIDOH 0262

by deed or otherwise, vested in any constituent corporation shall be preserved unimpaired, and all debts, liabilities and duties of The Floating Hospital 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 said Harrop and Sackett Funds as set forth in the recitals to this Agreement.

2. All devises, bequests, gifts, grants, assignments or other transfers of property or rights to or interests in property made to the constituent corporations, whether before or after the effective date of the merger and whether or not in the name of the constituent corporations, 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.

3. 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 any constituent corporation,

RIDOH 0263

the proper officers and directors of any of the aforesaid corporations shall and will 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 Agreement.

ARTICLE VIII

RIGHT TO AMEND

The surviving corporation reserves the right to amend, alter, change or repeal any provision contained in this Agreement of Merger which may be contained in the Articles of Association of a non-business corporation organized under the General Laws of Rhode Island in the manner now or hereafter prescribed by said General Laws.

IN WITNESS WHEREOF, Kent County Memorial Hospital and Providence Floating Hospital Association, pursuant to authority duly given, have caused these presents to be duly executed in their names and

RIDOH 0264

behalfs by their duly authorized officers and under their respective corporate seals, all as of the day and year first above written.

KENT COUNTY MEMORIAL HOSPITAL

By _____
President

By _____
Secretary

PROVIDENCE FLOATING HOSPITAL ASSOCIATION

By _____

By _____
Secretary

STATE OF RHODE ISLAND

COUNTY OF KENT

On this 17th day of November, 1974, personally appeared before me, a notary public, Reid T. Westmoreland and John G. Coffey the President and Secretary respectively of Kent County Memorial Hospital, being duly sworn, did say that said Reid T. Westmoreland is the President and said John G. Coffey is the Secretary

RIDOH 0265

of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of the said corporation; that the seal was so affixed by order of the Board of Trustees of said corporation; that said instrument was executed on behalf of said corporation by authority of said Board of Trustees, and said President and Secretary make oath and acknowledge the foregoing instrument to be their free act and deed in their said capacities and to be the free act and deed and agreement of said corporation.

My Commission Expires
June 30, 1976

Notary Public

STATE OF RHODE ISLAND

COUNTY OF Providence

On this 17th day of October, 1974, personally appeared before me, a notary public, Robert W. Linden Jr. and Thomas L. Hatman the President and Secretary respectively of Providence Floating Hospital Association, being duly sworn, did say that said Robert W. Linden is the President and said Thomas L. Hatman is the

RIDOH 0266

Secretary of said corporation; that the seal affixed to the foregoing instrument is the corporate seal of the said corporation; that the seal was so affixed by order of the Executive Committee of said corporation; that said instrument was executed on behalf of said corporation by authority of said Executive Committee, and said President and Secretary make oath and acknowledge the foregoing instrument to be their free act and deed in their said capacities and to be the free act and deed and agreement of said corporation.

Notary Public

RIDOH 0267

EXHIBIT A

CERTIFICATE OF SECRETARY

I, John G. Coffey, , hereby certify that I am the duly elected, qualified and acting Secretary of Kent County Memorial Hospital, a charitable non-business corporation organized and existing under the laws of the State of Rhode Island, and that at a meeting of the Board of Trustees of said corporation duly called and held on the 21st day of August, 1974 for the purpose of considering and acting upon a proposed merger of Providence Floating Hospital Association into said Kent County Memorial Hospital, at which meeting a quorum of said Board was present and acting throughout, it was unanimously

VOTED: To authorize the merger of Kent County Memorial Hospital and Providence Floating Hospital Association, with Kent County Memorial Hospital as the surviving corporation, pursuant to the provisions of Section 7-6-18 of the General Laws of Rhode Island (1956), as amended, and to authorize and direct the President and Secretary of this corporation to sign, seal, deliver and cause to be filed in the office of the Secretary of State of the State of Rhode Island

an Agreement of Merger pursuant to such statute and containing such terms and conditions as the officers executing the same in the name and on behalf of this corporation shall determine.

I further certify that the foregoing vote is in full force and effect as of the date of this certification, and that the officers referred to above of this corporation are as follows:

President - Reid T. Westmoreland

Secretary - John G. Coffey

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the corporation, this 17th day of October, 1974.

(Seal)

Secretary

RIDOH 0269

EXHIBIT B

CERTIFICATE OF SECRETARY

I, Thomas L. Hatman, hereby certify that I am the duly elected, qualified and acting Secretary of Providence Floating Hospital Association, a charitable non-business corporation organized and existing under the laws of the State of Rhode Island, and that at a meeting of the Board of Directors of said corporation duly called and held on the 17th day of October, 1974 for the purpose of considering and acting upon a proposed merger of Providence Floating Hospital Association into Kent County Memorial Hospital, at which meeting a quorum of said Board was present and acting throughout, it was unanimously

VOTED: That the Providence Floating Hospital Association and the Board of Directors thereof hereby recommend to the Executive Committee of the Providence Floating Hospital Association that it authorize the merger of Providence Floating Hospital Association and Kent County Memorial Hospital with Kent County Memorial Hospital as the surviving corporation, pursuant to the provisions of 7-6-18 of the General Laws of Rhode Island (1956), as amended, and the proposed agreement of merger presented to the meeting.

I further certify that the foregoing vote is in full force and effect as of the date of this certification.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the corporation, this 17th day of October, 1974.

Thomas L. Hatman
Secretary

EXHIBIT C

CERTIFICATE OF SECRETARY

I, Thomas R. Chatterton, hereby certify that I am the duly elected, qualified and acting Secretary of Providence Floating Hospital Association, a charitable non-business corporation organized and existing under the laws of the State of Rhode Island, and that at a meeting of the Executive Committee of said corporation duly called and held on the 17th day of October, 1974 for the purpose of considering and acting upon a proposed merger of Providence Floating Hospital Association into Kent County Memorial Hospital, at which meeting a quorum of said Committee was present and acting throughout, it was unanimously

VOTED: To authorize the merger of Providence Floating Hospital Association and Kent County Memorial Hospital, with Kent County Memorial Hospital as the surviving corporation, pursuant to the provisions of Section 7-6-18 of the General Laws of Rhode Island (1956), as amended, and to authorize and direct the President and Secretary of this corporation to sign, seal, deliver and cause to be filed in the office of the Secretary of State of the State of Rhode Island an Agreement of Merger

pursuant to such statute and containing such terms and conditions as the officers executing the same in the name and on behalf of this corporation shall determine.

I further certify that the foregoing vote is in full force and effect as of the date of this certification, and that the officers referred to above of this corporation are as follows:

President - Robert W. Carlton Jr.

Secretary - Thomas L. Patterson

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the corporation, this 17th day of October, 1974.

Thomas L. Patterson (Seal)

Secretary

RIDOH 0272

CERTIFICATE OF APPROVAL

I. W. Slater Allen, Jr., certify that I am the duly qualified and acting Administrator of Charitable Trusts. I further certify that I have examined the instrument of merger of the Kent County Memorial Hospital, and the Providence Floating Hospital Association and file them in conformity with the statutes pertaining thereto. I further certify that I have examined the minutes of a meeting of the Kent County Memorial Hospital dated August 21, 1974 and the minutes of the meeting of the Providence Floating Hospital Association dated October 17, 1974 and I file them in conformity with the statutes pertaining thereto.

I, therefore, approve the proposed merger.

W. SLATER ALLEN, JR.

October 30, 1974

40

AGREEMENT OF MERGER

KENT COUNTY MEMORIAL HOSPITAL

NOV -1-74 SEC. OF STATE 764 CO*****10

AND

PROVIDENCE FLOATING HOSPITAL ASSOCIATION

NOV 1 1974

HINCKLEY, ALLEN, SALISBURY & PARSONS
LAW OFFICES

RIDOH 0274

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State / State Archives Division

Matthew A. Brown
Secretary of State

Annexed is a true copy of an original document held in the custody of the Rhode Island State Archives

C#00203 – Charters (Private Acts), 1989 # 48

AN ACT AUTHORIZING THE KENT COUNTY MEMORIAL HOSPITAL TO INCREASE ITS HOLDINGS TO AN AMOUNT NOT EXCEEDING ONE HUNDRED MILLION DOLLARS ($100,000,000.00)

R. Gwenn Stearn
State Archivist &
Public Records Administrator

August 10, 2006

State Archives Division

Phone: 401-222-2353
Fax: 401-222-3199

RI State Archives

Public Records Administration

State Records Center

Local Government Records Program

Administrative Records (Rules and Regulations)

337 Westminster Street
Providence, RI 02903

Office of the Secretary of State

State House Room 217
Providence, RI 02903

Phone: 401-222-2357
v: 401-222-1356
TTY: 711

www.state.ri.us

(48)

89 --

JJ3341

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1989

AN ACT

~~AUTHORIZING THE KENT COUNTY MEMORIAL~~ HOSPITAL TO INCREASE ITS HOLDINGS TO AN AMOUNT NOT EXCEEDING ONE HUNDRED MILLION DOLLARS ($100,000,000.00)

89-H 6436

Introduced By: Rep. Thomas A. Lamb

Date Introduced: February 15, 1989

Referred To: Committee on Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of "An Act to Incorporate Kent County Memorial Hospital," passed by the General Assembly at the January Session, 1946, and as amended from time to time is hereby further amended to read as follows:

"Sec. 2. The said corporation may take and receive, hold, purchase and possess real and personal estate to be used and employed for the erection, support, operation and maintenance of a hospital in Kent County in the State of Rhode Island, and for carrying into full effect the charitable and humane intentions of the corporation to any amount necessary or proper, but not to exceed one hundred million dollars ($100,000,000.00) and may sell and dispose of the same; and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax."

RIDOH 0276

SECTION 2. This act shall take effect upon passage.

JJ3341

RIDOH 0277

S.

H. (48)

89H06436

AN ACT

AUTHORIZING THE KENT COUNTY MEMORIAL HOSPITAL TO INCREASE ITS HOLDINGS TO AN AMOUNT NOT EXCEEDING ONE HUNDRED MILLION DOLLARS ($100,000,000.00)

Presented by

Thomas A. Lenk

EXECUTIVE DEPARTMENT, Received JUL 05 1989
APPROVED JUL 7 1989
GOVERNOR

IN THE SENATE APR 12 1989
Read and referred to the Committee on CORPORATIONS
Reading Clerk

IN SENATE
THE COMMITTEE ON CORPORATIONS RECOMMENDS PASSAGE IN CONCURRENCE
FOR THE COMMITTEE

IN THE SENATE JUN 28 1989
Ordered to be placed upon the calendar.
Reading Clerk

IN THE SENATE JUN 28 1989
Read and PASSED IN CONCURRENCE
Reading Clerk

IN HOUSE OF REPRESENTATIVES
FEB 15 1989
REFERRED TO COMMITTEE ON CORPORATIONS
Clerk

IN HOUSE OF REPRESENTATIVES
APR 5 1989
THE COMMITTEE ON CORPORATIONS RECOMMENDS PASSAGE OF THE WITHIN BILL
Passed.
FOR THE COMMITTEE

IN HOUSE OF REPRESENTATIVES
APR 5 1989
Received and Ordered to be placed upon the CALENDAR
Clerk

IN HOUSE OF REPRESENTATIVES
APR 11 1989
READ AND PASSED
Clerk

RIDOH 0278

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State / State Archives Division

Matthew A. Brown
Secretary of State

Annexed is a true copy of an original document held in the custody of the Rhode Island State Archives

C#00203 – Charters (Private Acts), 1980, Vol. 147 # Y – 1

AN ACT AUTHORIZING THE INCREASE OF THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL

August 10, 2006

State Archivist &
Public Records Administrator

State Archives Division

Phone: 401-222-2353
Fax: 401-222-3199

RI State Archives

Public Records Administration

State Records Center

Local Government Records Program

Administrative Records (Rules and Regulations)

337 Westminster Street
Providence, RI 02903

Office of the Secretary of State

State House Room 217
Providence, RI 02903

Phone: 401-222-2357
Fax: 401-222-1356
TTY: 711

www.state.ri.us

80 -- S 2744

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 1980

AN ACT

AUTHORIZING THE INCREASE OF THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL

Introduced By: Senator Gloria Kennedy Fleck

Date Introduced: March 13, 1980

Referred To: Senate Committee on Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of "An act to incorporate Kent County Memorial Hospital," passed by the General Assembly at its January session, 1946, and approved April 25, 1946, as amended from time to time, is hereby further amended to read as follows:

"Sec. 2. The said corporation may take and receive, hold, purhcase and possess real and personal estate to be used and employed for the erection, support, operation and maintenance of a hospital in Kent county in the state of Rhode Island, and for carrying into full effect the charitable and humane intentions of the corporation to any amount necessary or proper, but not to exceed $40,000,000.00 and may sell and dispose of the same; and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax.

RIDOH 0280

SECTION 2. This act shall take effect upon passage.

EH214

RIDOH 0281

AUTHORIZING THE INCREASE OF
THE HOLDINGS OF THE KENT COUNTY
MEMORIAL HOSPITAL

Presented by Gloria Kennedy Fleck

EXECUTIVE DEPARTMENT,
Received APR 29 1980
APPROVED
MAY 1 1980
Joseph Garrahy
GOVERNOR

IN HOUSE OF REPRESENTATIVES
APR 29 1980 19
TRANSMITTED TO THE
GOVERNOR
Recording Clerk

IN HOUSE OF REPRESENTATIVES
APR 29 1980
Read and Passed In Concurrence
Eugene Mitchell CLERK

IN HOUSE OF REPRESENTATIVES
APR 29 1980
THE COMMITTEE ON CORPORATIONS
RECOMMEND THE PASSAGE IN CON-
CURRENCE
OF THE WITHIN BILL
FOR THE COMMITTEE

IN THE SENATE MAR 13 1980
Read and referred to
the Committee on
CORPORATIONS
Reading Clerk

IN SENATE
THE COMMITTEE ON CORPORATIONS
RECOMMEND THE PASSAGE
OF THE WITHIN BILL
FOR THE COMMITTEE

IN THE SENATE MAR 21 1980
Ordered to be Placed
upon the CALENDAR
Reading Clerk

IN THE SENATE MAR 26 1980
Read and PASSED
Reading Clerk

IN HOUSE OF REPRESENTATIVES
MAR 26 1980
REFERRED TO COMMITTEE ON
CORPORATIONS
Clerk

RIDOH 0282

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State / State Archives Division

Matthew A. Brown
Secretary of State

Annexed is a true copy of an original document held in the custody of the Rhode Island State Archives

C#00203 – Charters (Private Acts), 1974, Vol. 141 # R – 1

AN ACT INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL AND IN AMENDMENT OF AN ACT, ENTITLED "AN ACT TO INCORPORATE KENT COUNTY MEMORIAL HOSPITAL" PASSED AT THE JANUARY SESSION, A.D. 1946 AND APPROVED APRIL 25, 1946, AS AMENDED.

R. Gwenn Steam
State Archivist &
Public Records Administrator

August 10, 2006

State Archives Division

Phone: 401-222-2353
Fax: 401-222-3199

www.sos.ri.gov/archives

RI State Archives

Public Records Administration

State Records Center

Local Government Records Program

Administrative Records (Rules and Regulations)

337 Westminster Street
Providence, RI 02903

Office of the Secretary of State

State House Room 217
Providence, RI 02903

Phone 401-222-2357
Fax 401-222-1356
TTY 711

www.state.ri.us

74S02314

State of Rhode Island, &c.

IN GENERAL ASSEMBLY

JANUARY SESSION, A. D. 19 74

AN ACT

INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORAIL HOSPITAL AND IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE KENT COUNTY MEMORIAL HOSPITAL" PASSED AT THE JANUARY SESSION, A.D. 1946 AND APPROVED APRIL 25, 1946, AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of "An act to incorporate Kent County Memorial Hospital" passed by the general assembly at its January session 1946 and approved April 25, 1946 as amended is hereby amended to read as follows:

"SEC. 2. The said corporation may take and receive, hold, purchase and possess real and personal estate to be used and employed for the erection, support, operation and maintenance of a hospital in Kent county in the State of Rhode Island, and for carrying into full effect the charitable and humane intentions of the corporation to any amount necessary or proper, but not to exceed ~~$5,000,000.00~~ $25,000,000.00; and may sell and dispose of the same; and the property and estate of said corporation, both real and personal, shall not any time be liable 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.

RIDOH 0284

(R.I.)

S. 74S02314 H.

AN ACT

INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL AND IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE KENT COUNTY MEMORIAL HOSPITAL" PASSED AT THE JANUARY SESSION, A.D. 1946 AND APPROVED APRIL 25, 1946, AS AMENDED.

EXECUTIVE DEPARTMENT,
Received MAY 3 1974
NO ACTION TAKEN BY THE GOVERNOR
GOVERNOR

Presented by
Thomas N. Wilson
Gordon C. Mulligan
Joseph W. Walsh
Raymond A. Woodcock

SENATE MAR 14 1974
d and referred to
Committee on
RPORATIONS
Reading Clerk

MAR 27 1974
MITTEE ON CORPORATIONS
D THE PASSAGE
OF THE WITHIN B.
FOR THE COMMITTEE

SENATE MAR 27 1974
d and PASSED
Reading Clerk

MAR 1974

IN HOUSE OF REPRESENTATIVES
MAY 3 1974
THE COMMITTEE ON CORPORATIONS
RECOMMEND THE PASSAGE IN CONCURRENCE S-2314
OF THE WITHIN BILL.
Arthur L. Simoneau
FOR THE COMMITTEE

RECEIVED FROM THE GOVERNOR
WITHOUT SIGNATURE
EFFECTIVE MAY 14 1974
IN ACCORDANCE WITH
ARTICLE XV OF AMENDMENTS
AND OF SECTION 43-1-1
AND 43-1-2 OF THE
GENERAL LAWS.
Robert F. Burns
SECRETARY OF STATE

IN HOUSE OF REPRESENTATIVES
MAY 3 1974
TRANSMITTED TO THE
GOVERNOR
Recording Clerk

RIDOH 0285

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State / State Archives Division

Matthew A. Brown
Secretary of State

Annexed is a true copy of an original document held in the custody of the Rhode Island State Archives

C#00203 – Charters (Private Acts), 1969, Vol. 134 #.73

AN ACT INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL AND IN AMENDMENT OF SECTION 2 OF THE ACT, ENTITLED "AN ACT TO INCORPORATE KENT MEMORIAL HOSPITAL" AS ENACTED BY THE PUBLIC LAWS JANUARY 1946.

R. Gwenn Stearn
State Archivist &
Public Records Administrator

August 10, 2006

State Archives Division

Phone- 401-222-2353
Fax- 401-222-3199

RI State Archives

Public Records Administration

State Records Center

Local Government Records Program

Administrative Records (Rules and Regulations)

337 Westminster Street
Providence, RI 02903

Office of the Secretary of State

State House Room 217
Providence, RI 02903

Phone: 401-222-2357
Fax: 401-222-1356
TTY: 711

www.state.ri.us

State of Rhode Island, &c.

IN GENERAL ASSEMBLY

JANUARY SESSION, A. D. 19 69

AN ACT

INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL AND IN AMENDMENT OF SECTION 2 OF AN ACT, ENTITLED, "AN ACT TO INCORPORATE KENT MEMORIAL HOSPITAL" AS ENACTED BY THE PUBLIC LAWS JANUARY 1946.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act, entitled, "An act to incorporate Kent Memorial Hospital" as enacted by the January session 1946 is hereby amended to read as follows:

SEC. 2. The said corporation may take and receive, hold, purchase and possess real and personal estate to be used and employed for the erection, support, operation and maintenance of a hospital in Kent county in the State of Rhode Island, and for carrying into full effect the charitable and humane intentions of the corporation to any amount necessary or proper, but not to exceed $15,000,000.00: and may sell and dispose of the same; and the property and estate of said corporation, both real and personal, shall not at any time be liable to be assessed in the apportionment of any state, city or town tax.

SEC. 2. This act shall take effect upon its passage.

RIDOH 0287

S. 1515 (U2) H.

AN ACT

INCREASING THE HOLDINGS OF THE KENT COUNTY MEMORIAL HOSPITAL AND IN AMENDMENT OF SECTION 2 OF AN ACT, ENTITLED, "AN ACT TO INCORPORATE KENT MEMORIAL HOSPITAL" AS ENACTED BY THE PUBLIC LAWS JANUARY 1946.

EXECUTIVE DEPARTMENT,
Received MAY 1 1969
APPROVED
MAY 1 1969
GOVERNOR

Presented by
Hulda E. Stiffney
Raymond Pettarca
Robert J. Cady
Carmine L. Petrilli
Harriet P. Watson
Raymond F. Mulligan
Edward A. Fallon

Raymond B. Woodcock
Joseph Walsh
Charles F. Hickey Sr.
John C. Revens, Jr.
Thomas H. E. Johnson
Joseph G. Smiller
Richard H. Rustem

IN SENATE APR 29 1969
THE COMMITTEE ON CORPORATIONS RECOMMEND THE PASSAGE IN CONCURRENCE
OF THE WITHIN BILL
PRINTING SUSPENDED
FOR THE COMMITTEE

IN THE SENATE APR 30 1969
Read and passed in concurrence under suspension of the rules.
Reading Clerk

READ AND PASSED IN CONCURRENCE
TRANSMITTED TO THE GOVERNOR
MAY 1 1969
SECRETARY OF STATE

RESENTATIVES
ON CORPORATIONS
PASSAGE
OF THE WITHIN BILL
ENDED
THE COMMITTEE

MAR 26 1969
nd referred to
mmittee on
ORATIONS
Reading Clerk

RIDOH 0288

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State / State Archives Division

Matthew A. Brown
Secretary of State

Annexed is a true copy of an original document held in the custody of the Rhode Island State Archives

C#00203 – Charters (Private Acts), 1946, Vol. 110 # 2

AN ACT TO INCORPORATE KENT COUNTY MEMORIAL HOSPITAL

State Archives Division

Phone: 401-222-2353
Fax. 401-222-3199

reference@archives.state.ri.us

RI State Archives

Public Records Administration

State Records Center

Local Government Records Program

Administrative Records (Rules and Regulations)

337 Westminster Street
Providence, RI 02903

Office of the Secretary of State

State House Room 217
Providence, RI 02903

Phone. 401-222-2357
Fax. 401-222-1356
TTY. 711

www.state.ri.us

R. Gwenn Stearn
State Archivist &
Public Records Administrator

August 10, 2006

State of Rhode Island, &c.

IN GENERAL ASSEMBLY

2415

AN ACT

AN ACT TO INCORPORATE KENT COUNTY MEMORIAL HOSPITAL

It is enacted by the General Assembly as follows:

SECTION 1. Antonio Morelli, M. D., President of Kent County Medical Society, Peter Brandon, M. D., Vice-President of Kent County Medical Society, Augusto E. Vitol, M. D., Secretary of Kent County Medical Society, and John J. Mack, M. D., Treasurer of Kent County Medical Society, and their associates, who may be admitted to membership in the corporation hereunder, under the by-laws thereof, are hereby made a corporation by the name of Kent County Memorial Hospital for the purpose of organizing, erecting, acquiring, equipping, supporting, operating and maintaining a non-profit hospital for the sick, diseased and injured in Kent County, in the State of Rhode Island, and in connection therewith and for the purpose of carrying into full effect the charitable and humane intendment of the corporation, to acquire land by purchase, lease, gift or devise, and to erect thereon or otherwise provide suitable buildings and equipment, with all powers and privileges and subject to all rights, duties and liabilities set forth in chapter 467 of the general laws of 1938, and in any acts in amendment thereof or in addition thereto.

SEC. 2. The said corporation may take and receive, hold, enjoy and possess real and personal estate to be used and employed for the erection, support, operation and maintenance of a hospital in Kent County in the State of Rhode Island, and for carrying into full effect the charitable and humane intendment of the corporation

RIDOH 0290

APR 20 1966
GOVERNOR.
IN HOUSE OF REPRESENTATIVES
APR 13 1966
PASSED.
IN HOUSE OF REPRESENTATIVES
APR 13 1966
IN HOUSE OF REPRESENTATIVES
TRANSMITTED THIS
GOVERNOR.

To the Honorable General Assembly of the State of Rhode Island, &c., at its January

*Session, A. D. 19*46

The undersigned petitioners respectfully represent that they desire to become a body corporate under the name of

KENT COUNTY MEMORIAL HOSPITAL

for the purpose of organizing, erecting, acquiring, equipping, supporting, operating and maintaining a hospital for the sick, disabled and injured in Kent County in the State of Rhode Island on a non-profit basis

in conformity with the accompanying bill.

Wherefore, they pray your honorable body to grant their request creating them a corporation, and as in duty bound they will ever pray.

Whitman Merrill M D

Whitman Merrill, M. D.
President of Kent County Medical Society

Peter Emanuel

Peter Emanuel

RIDOH 0293

245

THE PETITION OF

.....

R AN ACT TO INCORPORATE

County Memorial Hospital.

.....

.....

.....

PRESENTED BY

.....

AMENDED AND RESTATED
BYLAWS
OF
KENT COUNTY MEMORIAL HOSPITAL

TABLE OF CONTENTS

Purposes, Powers and Offices 1

Purposes 1

Powers 1

Offices 2

Members 2

Classes, Number and Voting of Members 2

Election and Term of Individual Members 3

Resignation of Individual Members 3

Removal of Individual Members 4

Member Meeting 4

Place of Meetings-Members 4

Notice for Meetings-Members 4

Waiver of Notice-Members 5

Quorum-Members 5

Action at Meetings-Members 5

Written Consents-Corporate Member 5

Proxies-Members 6

Board of Directors 6

Authority of the Board 6

Number of Directors 6

Meetings of the Board 6

Places of Meeting-Board 6

Notice for Meetings-Board 7

Waiver of Notice-Board 7

Quorum-Board 7

Action at Meetings-Board 7

Participation by Telephone-Board 8

Written Consent-Board 8

Reimbursement of Expenses-Board 8

Committees 9

Committees 9

Term and Election-Committee Members 9

Resignation, Removal and Vacancy-Committee Members 9

Meetings-Committees 10
Waiver of Notice-Committees 10
Quorum-Committees 11
Action at Meetings; Written Consents-Committees 11
Participation by Telephone-Committees 11
Quality Committee 11
Reimbursement of Expenses–Committee Members 11
Officers 12
Officers 12
Election and Term-Officers 12
Resignation-Officers 12
Removal-Officers 12
Vacancy-Officers 13
Authority and Duties-Officers 13
Medical Staff; Medical Staff Bylaws 13
Organization and Duties of the Medical Staff 13
Medical Staff Bylaws 14
Seal 15
Seal 15
Fiscal Year; Annual Reports 15
Fiscal Year 15
Annual Reports 15
Execution of Documents 15
Execution of Documents 15
Limitation of Liability 16
Limitation of Liability 16
Indemnification 16
Agreement of the Corporation 16
Definitions 16
Advance Payment of Expenses 17
Exclusions 17
Notice to the Corporation; Insurance 18
Indemnification 18
Settlement 19

Rights Not Exclusive 20
Enforcement 20
Severability 20
Successors and Assigns 20
Amendment of this Article 11 21
Non-Profit Status and Relationship to Care New England 21
Non-Profit Status 21
Relationship to Care New England 21
Hospital Auxiliary 22
Hospital Auxiliary 22
Amendments 22
Amendments 22

AMENDED AND RESTATED
BYLAWS
of
KENT COUNTY MEMORIAL HOSPITAL

Article 1

Purposes, Powers and Offices

Section 1.1 **Purposes**. Kent County Memorial Hospital (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 organize, erect, acquire, equip, support, operate and maintain a non-profit hospital and allied health facilities, for the sick, disabled, and injured residents of and visitors to the State of Rhode Island, particularly Kent County; (b) to acquire land by purchase, lease, gift or devise, and to erect thereon or otherwise acquire suitable buildings and equipment; to carry on the work of educating and training nurses; (c) to institute and maintain a training school of nurses and to grant certificates for work performed at such school and diplomas to graduates thereof; (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**").

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 furtherance of the purposes set forth in the Articles of Incorporation and these Amended and Restated Bylaws of the Corporation (the "**Bylaws**").

RIDOH 0299

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 of Directors of the Corporation (the "**Board**" or "**Board of Directors**").

Article 2

Members

Section 2.1 **Classes; Number and Voting of Members**.

(a) The Corporation shall have two classes of members: (a) the "**Corporate Member**" which shall be Care New England Health System ("**Care New England**") (or any successor to Care New England by reason of merger, consolidation, sale of all or substantially all of the assets of Care New England or otherwise); and (b) the "**Individual Members**" which shall consist of (i) those individuals serving in the positions of the President, Vice-President, Secretary and Treasurer of Kent County Memorial Society; and (ii) those individuals serving in the position of Mayor (or senior ranking elected officer if there is no Mayor) of the City of Warwick, of the City of Cranston, of the Town of West Warwick, of the Town of Coventry, of the Town of East Greenwich, of the Town of West Greenwich, of the Town of North Kingstown, and of the Town of Exeter. The Individual Members may also include those individuals elected by the Members pursuant to Section 2.2. For purposes of these Bylaws, the "**Members**" shall mean the Corporate Member and the Individual Members, collectively.

(b) The number of Individual Members shall not exceed five hundred (500); provided, however that those individuals that are Individual Members by virtue of serving in the positions of the President, Vice-President, Secretary and Treasurer of Kent County Memorial Society shall not be counted for purposes of the number limitation set forth in this Section 2.1(b).

(c) Each Member shall be entitled to one vote; provided, however that the Individual Members shall have only the right to vote for the election of Individual Members. The Corporate Member may vote by presenting a resolution (certified by the secretary of the Corporate Member) on any matter properly before any meeting of the Members or may vote through a person designated by the Corporate Member for such purpose.

RIDOH 0300

Section 2.2 **Election and Term of Individual Members**.

(a) At the annual meeting of the Members, or any special meeting called for the purpose of electing Individual Members, the Members shall elect, from those nominees recommended by the Governance and Nominating Committee of the Corporate Member (the "**Governance and Nominating Committee**") (which Governance and Nominating Committee shall make such recommendations after consultation with the board of directors of Kent Hospital Foundation and with due regard to the goal that the Individual Members, considered collectively, shall be representative of the community served by the Corporation), that number of nominees to bring the number of Individual Members to the limitation set forth in Section 2.1(b) or to fill vacancies; provided, however that the Governance and Nominating Committee shall nominate a maximum of thirty (30) new Individual Members (except that the Board may approve nomination by the Governance and Nominating Committee of a greater number of Individual Members). The Governance and Nominating Committee shall deliver the nominee recommendations to the Secretary of the Corporation (the "**Secretary**") not less than fourteen (14) days prior to the annual meeting of the Members or special meeting called for the purpose of electing Individual Members.

(b) Those individuals serving as Individual Members by virtue of serving in the positions of the President, Vice-President, Secretary and Treasurer of Kent County Memorial Society and Mayor (or senior ranking elected officer if there is no Mayor) of the City of Warwick, of the City of Cranston, of the Town of West Warwick, of the Town of Coventry, of the Town of East Greenwich, of the Town of West Greenwich, of the Town of North Kingstown, and of the Town of Exeter shall be deemed to have resigned as an Individual Member at any time that he or she ceases to serve in his or her respective position with his or her replacement in such position filling his or her vacancy as an Individual Member. Each other Individual Member shall serve until he or she resigns or is removed pursuant to Section 2.3 or Section 2.4, respectively.

Section 2.3 **Resignation of Individual Members**. Except with respect to those individuals serving as an Individual Member as described in Section 2.1(a)(i) and Section 2.1(a)(ii), any Individual 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. The resignation of any such Individual 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.

Section 2.4 **Removal of Individual Members**. Except with respect to those individuals serving as an Individual Member as described in Section 2.1(a)(i) and Section 2.1(a)(ii), any Individual Member may be removed with or without cause by a majority vote of the Board.

Section 2.5 **Member Meetings**. An annual meeting of the Members shall be held on the first Tuesday of December in each year at such time and place as may be determined by the Board of Directors. A special meeting of the Members shall be called by the Secretary (or other person as directed by the Board of Directors) upon the request of the Chairperson, any three (3) members of the Board of Directors, the Corporate Member or at least twenty-five percent (25%) of the Individual Members and the business transacted at any special meeting of the Members shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 2.6 **Place of Meetings – Members**. All annual and special meetings of the Members 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 written notice for such annual or special meeting.

Section 2.7 **Notice for Meetings – Members**. 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 the annual meeting and any special meeting to each Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered in person or by mailing, overnight mail, electronically mailing or telephoning the same to each member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special 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 2.8 **Waiver of Notice – Members**. A 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 Member at a meeting shall constitute waiver of notice of that meeting, except where such attending Member (a) objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened; or (b) objects before a vote on an item of business because the item of business may not be lawfully considered at such meeting and does not participate in consideration of such item of business at the meeting.

Section 2.9 **Quorum – Members**. A quorum shall exist at a meeting of the Members to elect Individual Members if the Corporate Member (through its duly authorized representative) and at least twenty-five (25) Individual Members are present (in person or by proxy); provided, that if there are less than fifty (50) Individual Members, then a quorum shall exist at a meeting of Members to elect Individual Members if the Corporate Member (through its duly authorized representative) and at least half of the number of then-current Individual Members are present (in person or by proxy). At any other meeting of the Members, a quorum shall exist if the Corporate Member (through its duly authorized representative) is present. In the absence of a quorum at any meeting of the Members, the Members entitled to vote present in person or by proxy at such meeting shall have the power to adjourn the meeting to another place, day and hour with notice given to the Members in the same manner as a special meeting.

Section 2.10 **Action at Meetings – Members**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote the Corporate Member (through its authorized designee) and a majority of the Individual Members present in person or by proxy at a meeting at which a quorum is present shall be required to elect Individual Members. All other actions require the affirmative vote of the Corporate Member (through its authorized designee).

Section 2.11 **Written Consents – Corporate Member**. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Corporate Member may take action without a meeting in a written consent setting forth the action and signed by the Corporate Member; which written consent(s) shall be placed in the records of the Corporation.

Section 2.12 **Proxies – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Members vote either in person, by proxy or by consent vote. No proxy which is dated more than six (6) months before the meeting shall be accepted and no proxy shall be filed after final adjournment of a meeting. Proxies shall be delivered to the Secretary and placed in the records of the Corporation.

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**. The directors of the Board (each a "**Director**") shall be those individuals then-serving as directors of the board of directors of the Corporate Member.

Section 3.3 **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 following, the annual meeting of the board of directors of the Corporate Member held in 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 3.4 **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 3.5 **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 or telephone number address 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 3.6 **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 3.7 **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 3.8 **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 controlled affiliate of the Corporation;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any controlled affiliate of the Corporation of another provider or system of providers;

(c) any material change in the mission of the Corporation or any controlled affiliate of the Corporation; or

(d) any change in the provisions of this Section 3.8 or similar provision in the bylaws of any controlled affiliate of the Corporation.

The actions set forth above that involve the Corporation are also subject to the approval of the board of directors of the Corporate Member.

Section 3.9 **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 the Corporate Member 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 3.10 **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 3.11 **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 3.11 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 a Quality Committee. The Board of Directors may designate such other committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such other committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Corporation), shall be subject to the Corporate Member's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Corporate Member. 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**. For the Quality Committee and any other committee designated by the Board, the Board shall elect individuals to serve on such committees from those nominees recommended by the Governance and Nominating Committee. Those committee members serving on the Quality Committee shall serve for a term of one (1) year and may not serve on the Quality Committee for more than three (3) consecutive one (1) year terms. Unless otherwise determined by the Board, the term of each committee member of any other committee designated by the Board 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**. 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.

Section 4.7 **Action at Meetings; Written Consent – 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 **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 one (1) or more 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 4.10 **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 4.10 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, 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 from those nominees recommended by the Governance and Nominating Committee 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.

RIDOH 0310

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 Members and 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. The President and Chief Executive Officer shall have the necessary authority and shall be held responsible for the administration of the Corporation in all of its activities and departments, subject to the Articles of Incorporation, these Bylaws and such policies as may be adopted and such orders as may be issued by the Board or any of its committees to which it has delegated power for such action. Notwithstanding any provision to the contrary, the President and Chief Executive Officer shall serve at the pleasure of the President and Chief Executive Officer of the Corporate Member, and any action with respect thereto shall be taken after consultation with the board of directors of the Corporate Member.

(c) Each officer (other than the Chairperson and the President and Chief Executive Officer) 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

Medical Staff; Medical Staff Bylaws

Section 6.1 **Organization and Duties of the Medical Staff**. The Board shall organize the physicians and appropriate other persons granted practice privileges at Kent County Memorial Hospital into a self-governing medical staff (the "**Medical Staff**"). The Board shall delegate to the Medical Staff the responsibility and authority to oversee the quality of care,

treatment and services provided by practitioners with clinical privileges; which responsibility and authority includes investigation of matters relating to the selection and appointment to the Medical Staff, granting of clinical privileges and any corrective action and submitting to the Board (or any committee delegated with such authority by the Board) recommendations on the foregoing with such supporting documentation as will enable the Board (or any committee delegated with such authority by the Board) to take action thereon.

Section 6.2 **Medical Staff Bylaws**. The Medical Staff shall organize, adopt and maintain medical staff bylaws (the "**Medical Staff Bylaws**"), consistent with these Bylaws, Kent County Memorial Hospital rules and regulations and applicable law, for the governance of the Medical Staff; which Medical Staff Bylaws shall include at least the following:

(a) Methods of selection, election or appointment of all officers and other executive committee members and officers;

(b) Provisions for selection and appointment of officers of departments or services specifying required qualifications;

(c) The type, purpose, composition and organization of standing committees;

(d) Frequency and requirements for attendance at Medical Staff departmental meetings;

(e) An appeal mechanism for denial of Medical Staff appointments, reappointments and privileges;

(f) Delineation of clinical privileges of non-physician practitioners;

(g) Designation of personnel qualified to prescribe or administer drugs;

(h) Requirements regarding medical records;

(i) A mechanism for utilization and medical care review;

(j) Provisions for a program permitting selected individuals other than physicians or other licensed, registered or certified personnel to perform extended, defined patient care functions; and

(k) Such other provisions as shall be required by Kent County Memorial Hospital or governmental rules and regulations.

Any recommendations of the Medical Staff to amend, or amend and restate, the Medical Staff Bylaws shall be subject to approval by the Board. When adopted, the Medical Staff Bylaws shall be considered a part of the rules and regulations of Kent County Memorial Hospital.

Article 7

Seal

Section 7.1 **Seal**. The corporate seal shall consist of a flat-faced die, with the words "Kent County Memorial Hospital, Incorporated 1946," and such additional material as may be prescribed from time to time by the Board, cut or engraved thereon.

Article 8

Fiscal Year; Annual Reports

Section 8.1 **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 8.2 **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 9

Execution of Documents

Section 9.1 **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.

RIDOH 0313

Article 10

Limitation of Liability

Section 10.1 **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 10.1 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 10.1 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 10.1 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 11

Indemnification

Section 11.1 **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 11.2).

Section 11.2 **Definitions**. Capitalized terms used in this Error! Reference source not ound., 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.

RIDOH 0314

(b) "**Excluded Claim**" has the meaning set forth in Section 11.4.

(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 11.3 **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 11.4 **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 11.5 **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 11.5) resulting in a denial of coverage.

Section 11.6 **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 11.6(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 11.6(a)(i) or by a committee of the Board established in a manner described in Section 11.6(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 11.6(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 11.6(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 11.7 **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 11.8 **Rights Not Exclusive**. The rights provided in this Article 11 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 11.9 **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 11.6.

(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 11.10 **Severability**. If any provision in this Article 11 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 11 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 11 shall be enforceable in accordance with its terms.

Section 11.11 **Successors and Assigns**. The provisions of this Article 11 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.

RIDOH 0318

Section 11.12 **Amendment of this Article 11** No amendment or termination of this Article 11 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 12

Non-Profit Status and Relationship to Care New England

Section 12.1 **Non-Profit Status**. 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, trustees, 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 the Articles of Incorporation and these Bylaws. In the event of any liquidation or dissolution of the Corporation, no 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 Board of Directors, after the payment of all its debts and obligations, shall distribute all of the assets of the Corporation in such manner, and to such organization(s) organized and operated for charitable, scientific and educational purposes as shall at the time qualify as an exempt organization(s) under the Code, or to such cities, towns and subdivisions thereof, as the Board shall determine.

Section 12.2 **Relationship to Care New England**. The Corporation functioned autonomously until 1996, when it combined with Butler Hospital and Women & Infants Hospital of Rhode Island to form Care New England, a non-profit holding company of which the three (3) hospitals are controlled affiliates. While each hospital within the Care New England system continues to be governed by its governing board in accordance with its corporate mission, Care New England is the sole member of the Corporation and the individuals serving as the directors of the Corporation are those individuals then-serving as the directors of the Care New England board of directors. Further, the approval of Care New England is required for significant corporate and strategic actions on the part of the Corporation.

Article 13

Hospital Auxiliary

Section 13.1 **Hospital Auxiliary**. There shall be a hospital auxiliary known as the "**Kent County Memorial Hospital Auxiliary**," which shall have its purpose service to the Corporation and its patients as well as fundraising as may be approved by the Board from time to time. The Kent County Memorial Hospital Auxiliary shall organize in accordance with its bylaws, duly adopted by its members and approved by the Board of Directors.

Article 14

Amendments

Section 14.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Board in accordance with Section 3.8 or Section 3.10, as applicable and the approval of the Corporate Member.

Adopted on June 28, 2012

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State

Matthew A. Brown
Secretary of State

CERTIFICATE OF AMENDMENT TO ARTICLES OF INCORPORATION OF

Women & Infants Hospital of Rhode Island

I, MATTHEW BROWN, Secretary of State of the State of Rhode Island and Providence Plantations, hereby certify that Articles of Amendment to the Articles of Incorporation of

Women & Infants Hospital of Rhode Island

duly executed in accordance with the provisions of Chapter 7-6 of the General Laws of Rhode Island, 1956, as amended, have been filed in this office on this day, with an effective date of June 26, 2006.

WITNESS my hand and the seal of the State of Rhode Island and Providence Plantations this 26th day of June, 2006.

Matthew Brown
Secretary of State

By Kathleen McCaughey

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS · SEAL · 1636 · HOPE

Certificate/Form 201
Revised: 07/05

Filing Fee: $10.00 ID Number: 30397

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

RECEIVED
CORPORATIONS DIV
SECRETARY OF STATE
2006 JUN 26 AM 11:34

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO
~~ARTICLES OF INCORPORATION~~
CHARTER

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its ~~Articles of Incorporation~~ Charter:

1. The name of the corporation is Women & Infants Hospital of Rhode Island

2. The following amendment to the ~~Articles of Incorporation~~ Charter was adopted by the corporation:

[Insert Amendment]

Such part of the Corporation's Charter as resulted from the 1898 enactment of "An Act in Addition to an Act to Incorporate the Providence Lying-In Hospital, passed at the January Session, A.D., 1884" is deleted.

m No. 201
evised: 12/05

3. The amendment was adopted in the following manner:

(check one box only)

☐ The amendment was adopted at a meeting of the members held on _____, at which meeting 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.

☒ The amendment was adopted by a consent in writing on May 25, 2006, signed by all members entitled to vote with respect thereto.

☐ 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 with respect thereto.

4. Date when amendment is to become effective upon filing
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: June 8, 2006

Women & Infants Hospital of Rhode Island
Print Corporate Name

By Constance A. Howes

☒ President or ☐ Vice President (check one)

By Thomas R. Courage AND
Thomas R. Courage

☐ Secretary or ☒ Assistant Secretary (check one)

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND
UNANIMOUS CONSENT OF CORPORATE MEMBER
PROPOSED CHARTER AMENDMENT

The undersigned, being the sole member of Women & Infants Hospital of Rhode Island (the "Hospital") entitled to vote thereon hereby consents to and adopts the following votes:

VOTED: That the Hospital's Charter be amended by deleting such part of the Charter as resulted from the 1898 enactment of Section 1 of "An Act in Addition to an Act to Incorporate the Providence Lying-In Hospital passed at the January Session A.D., 1884." Section 1 of said Act read as follows:

> "Section 1. The chairman of the senate committee on finance and the chairman of the committee on finance of the house of representatives, shall be ex-officio trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the general assembly, passed at the January session, A.D. 1884."

This writing shall be filed with the records of the meetings of the members of the Hospital and shall for all purposes be treated as action taken and votes adopted at a meeting of the Corporate Member, duly called, noticed and held.

Women & Infants Corporation

By: Thomas R. Courage
Thomas R. Courage
Assistant Secretary

DATED: May 25, 2006

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND
BOARD OF TRUSTEES
PROPOSED CHARTER AMENDMENT

VOTED: That the Board of Trustees herby recommends to the Corporate Member that the Charter of Women & Infants Hospital of Rhode Island be amended by deleting such part of the Charter as resulted from the 1898 enactment of Section 1 of "An Act in Addition to an Act to Incorporate the Providence Lying-In Hospital, passed at the January Session A.D., 1884." Section 1 of said Act read as follows:

"The chairman of the senate committee on finance and the chairman of the committee on finance of the house of representatives, shall be ex-officio trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the general assembly, passed at the January session, A.D. 1884."

WOMEN & INFANTS CORPORATION
BOARD OF DIRECTORS
PROPOSED HOSPITAL CHARTER AMENDMENT

VOTED: That the votes contained in the attached Unanimous Consent of Corporate Member are hereby adopted by the Corporation and that any officer of the Corporation, signing singly and on behalf of the Corporation in its capacity as the sole member of Women & Infants Hospital of Rhode Island (the "Hospital"), is hereby authorized to execute such Unanimous Consent of Corporate Member.

ID 30397

State of Rhode Island and Providence Plantations
OFFICE OF THE SECRETARY OF STATE
100 NORTH MAIN STREET
PROVIDENCE, RHODE ISLAND
02903-1335

James R. Langevin
Secretary of State

Date: February 1, 1996

Women & Infants Hospital of Rhode Island
(10 PAGES)

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS.

James R Langevin
Secretary of State

By _____
Acting Deputy Secretary of State

$10.00

30397

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT
TO THE CHARTER
~~ARTICLES OF INCORPORATION~~
OF

WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND

ursuant to the provisions of Section 7-6-40 of the General Laws, 1956, as amended, the undersigned corporation the following Articles of Amendment to its ~~Articles of Incorporation~~ Charter:

RST: The name of the corporation is Women and Infants Hospital of Rhode Island

Charter

COND: The following amendment to the ~~Articles of Incorporation~~ was adopted by the corporation:

(Insert Amendment)

The Charter of Women and Infants Hospital of Rhode Island is amended by (a) substituting for the name of the Hospital in Section 1, the name "Women & Infants Hospital of Rhode Island" in lieu of "Women and Infants Hospital of Rhode Island" and (b) substituting the name "Women & Infants Hospital of Rhode Island" thereafter in the Charter whenever the name of the Hospital appears.

19

FILED

DEC 15 1995

BY DD #55

152948

RIDOH 0328

THIRD: The amendment was adopted in the following manner: (Note 1)

The amendment was adopted by a consent in writing signed under date of December 12, 1995 by the sole member entitled to vote in respect thereto.

This Corporation was formed by special act of the General Assembly; and pursuant to Section 7-6-3(b), 38, 39 and 40 of the General Laws of Rhode Island, 1956, as amended, may amend its Charter by vote of a majority of members entitled to vote. Only one member, Women & Infants Corporation, was entitled to vote on the matter and did so by the above-mentioned consent in writing.

December 12, 1995

WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND (Note 2)

By _____ (Note 3)
Thomas G. Parris, Jr.

Its President

and _____ (Note 3)
Margaret D. Farrell

Its Secretary

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

Filing Fee $10.00

30317

State of Rhode Island and Providence Plantations

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT
TO THE CHARTER
~~ARTICLES OF INCORPORATION~~
OF

WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND

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~~ Charter:

FIRST: The name of the corporation is Women and Infants Hospital of Rhode Island

SECOND: The following amendment to the ~~Articles of Incorporation~~ Charter was adopted by the corporation:

(Insert Amendment)

The Charter of Women and Infants Hospital of Rhode Island is amended by (a) substituting for the name of the Hospital in Section 1, the name "Women & Infants Hospital of Rhode Island" in lieu of "Women and Infants Hospital of Rhode Island" and (b) substituting the name "Women & Infants Hospital of Rhode Island" thereafter in the Charter whenever the name of the Hospital appears.

FILED

DEC 15 1995

By [illegible]

15 2 9 48

Form No. N-2A

THIRD: The amendment was adopted in the following manner: (Note 1)

The amendment was adopted by a consent in writing signed under date of December 12, 1995 by the sole member entitled to vote in respect thereto.

This Corporation was formed by special act of the General Assembly; and pursuant to Section 7-6-3(b), 38, 39 and 40 of the General Laws of Rhode Island, 1956, as amended, may amend its Charter by vote of a majority of members entitled to vote. Only one member, Women & Infants Corporation, was entitled to vote on the matter and did so by the above-mentioned consent in writing.

Dated December 12, 1995

WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND (Note 2)

By (Note 3)
Thomas G. Parris, Jr.

Its President

and (Note 3)
Margaret D. Farrell

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
Kathleen S. Connell
CORPORATION ID 30397 *Secretary of State*
100 North Main Street
Providence, Rhode Island
02903

I, MAUREEN D. ROUNDS, Acting Deputy Secretary of State of the State of Rhode Island and Providence Plantations, HEREBY CERTIFY that

Women and Infants Hospital of Rhode Island

a Rhode Island corporation was chartered by an Act of the General Assembly at the January Session, A.D. 1884 ; and

I FURTHER CERTIFY that said corporation is now of record and has a legal existence in this office.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the seal of the State of Rhode Island this twenty-fourth day of May A.D. 1991

Maureen D. Rounds
Acting Deputy Secretary of State

RECEIVED
MAY 29 1991
Administration

Corporations 277-3040 • Elections 277-2340
Notary 277-2249 • UCC 277-2521

RIDOH 0332

State of Rhode Island and Providence Plantations
OFFICE OF THE SECRETARY OF STATE
STATE HOUSE
PROVIDENCE
02903

Susan L. Farmer
Secretary of State

Date March 21, 1984

Women and Infants Hospital of Rhode Island
Document

A TRUE COPY WITNESSED UNDER THE SEAL OF THE STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS.

Susan L Farmer
Secretary of State

By _____
Deputy Secretary of State

PA - I8

83 -- H-8006

STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

SPECIAL SEPTEMBER SESSION, A.D. 1983

AN ACT

AUTHORIZING WOMEN AND INFANTS HOSPITAL FORMERLY KNOWN AS THE PROVIDENCE LYING-IN HOSPITAL TO INCREASE ITS TAX EXEMPT HOLDINGS

Introduced By: Representatives DeAngelis, Bianchini, Teitz and Lamb

Date Introduced: September 13, 1983

Referred To: Committee on Corporations

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In hospital," passed by the general assembly at its January, A.D. 1884 session, as amended, is hereby amended so as to read as follows:

"Sec. 2. Said corporation, formerly known as Providence Lying-In Hospital and now called Women and Infants Hospital, may take, hold, transmit and convey real and personal estate to an amount not exceeding eighty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation so long as it shall be used for the purposes for which said corporation was organized."

RIDOH 0334

SECTION 2. This act shall take effect upon its passage.

JJ250

RIDOH 0335

(Original Amendment of Articles of Association of NON-BUSINESS Corporation.)

State of Rhode Island and Providence Plantations

July 29, 1974

WE, the undersigned Officers of

THE PROVIDENCE LYING-IN 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 Providence in said State, on the 17th day of July, A. D. 1974, the following amendment(s) to the Articles of Association was (or were) duly adopted by the affirmative vote of ~~x~~its members viz:—

"VOTED, That Section I of the Charter of the Corporation is amended by substituting for the name of the Hospital, 'Women and Infants Hospital of Rhode Island' and substituting thereafter 'Women and Infants Hospital' for Lying-In Hospital."

It is further certified that this Corporation was formed by special act of the General Assembly and, pursuant to General Laws of Rhode Island, Section 7-6-10, may amend its charter by such vote as is prescribed for the amendment of its bylaws, and that its by-laws provide for amendment by a majority vote of those present at a meeting of the Corporation; and that a quorum at a meeting of the Corporation is eleven members, and that 14 members were present at the meeting and the vote was 14 for the amendment and none against.

[CORPORATE SEAL]

ATTEST:

President.

Secretary.

RIDOH 0336

NON-BUSINESS

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF

THE PROVIDENCE LYING-IN HOSPITAL

Duly Incorporated Under the Laws of
the State of Rhode Island.

JL 30-74 SEC-OF STATE 7919 CD****10.00

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

JUL 30 1974 19

RIDOH 0337

AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL.

Passed Feb. 20, 1884.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital, for the erection, support and maintenance of a lying-in hospital in the city of Providence, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

RIDOH 0338

Passed April 21, 1884.

AN ACT IN ADDITION TO AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL, PASSED AT THE JANUARY SESSION, A. D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. The chairman of the senate committee on finance and the chairman of the committee on finance of the house of representatives shall be *ex-officio* trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the general assembly, passed at the January session, A. D. 1884.

SEC. 2. This act shall take effect on and after its passage.

RIDOH 0339

JANUARY SESSION, 1930.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION, A. D. 1854. H 635 Approved Feb. 1, 1930.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to incorporate the Providence Lying-in Hospital," is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding two million dollars."

SEC. 2. This act shall take effect from and after its passage.

RIDOH 0340

S 157
Approved
Feb. 16, 1956.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION A.D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to incorporate the Providence Lying-In Hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation."

SEC. 2. This act shall take effect from and after its passage.

RIDOH 0341

78H7201

State of Rhode Island, &c.

IN GENERAL ASSEMBLY

JANUARY SESSION, A. D. 19 76

AN ACT

IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION A.D. 1884.

Be enacted by the General Assembly as follows:

Section 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In Hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ~~five-million-dollars~~ twenty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation as long as it shall be used for its purposes by said corporation and not rented.

Sec. 2. This act shall take effect from and after its passage.

As amended by the House Corporations Committee at Hearing of March 3, 1976

House Corporations on March 3, 1976

12

RIDOH 0343

(C), 76H-7201

S. H.

AN ACT

IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION A.D. 1884.

IN SENATE MAR 2 1 1976
THE COMMITTEE ON CORPORATIONS RECOMMEND THE PASSAGE IN CONCURRENCE OF THE WITHIN BILL
FOR THE COMMITTEE

IN HOUSE OF REPRESENTATIVES
MAR 3 1976
THE COMMITTEE ON CORPORATIONS RECOMMEND THE PASSAGE AS AMENDED OF THE WITHIN BILL
William A. Babin Jr.
FOR THE COMMITTEE

EXECUTIVE DEPARTMENT,
Received MAR 25 1976
NO ACTION TAKEN BY THE GOVERNOR
GOVERNOR

Presented by

RECEIVED FROM THE GOVERNOR WITHOUT SIGNATURE
EFFECTIVE APR 1 1976
IN ACCORDANCE WITH ARTICLE XV OF AMENDMENTS AND OF SECTION 43-1-1 AND 43-1-2 OF THE GENERAL LAWS.
Robert F. Burns
SECRETARY OF STATE

IN THE SENATE MAR 24 1976
Read and PASSED IN CONCURRENCE AS AMENDED
Edward R. Lalonde
SECRETARY

READ AND PASSED IN CONCURRENCE, TRANSMITTED TO THE GOVERNOR
MAR 25 1976
Robert F. Burns
SECRETARY OF STATE

IN THE SENATE MAR 3 1976
Read and referred to the Committee on CORPORATIONS
Edward R. Lalonde
Secretary Clerk

State of Rhode Island and Providence Plantations

Department of State

Office of the Secretary of State

I, FREDERICK A. MASSARO Deputy Secretary of State of the State of Rhode Island and Providence Plantations, hereby Certify that the aforegoing is a true xerographic copy of "An Act to Incorporate the Providence Lying-in Hospital."

taken from the records in this office and compared with the original in "CHARTERS", Volume 43, page 37, dated January Session, of the Rhode Island General Assembly, 1884;

and now remaining on file and of record in this office, in the Archives Division.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this third day of April A. D. 19 75

Deputy Secretary of State.

RIDOH 0344

State of Rhode Island &c.

IN GENERAL ASSEMBLY,

January ..... SESSION, A. D. 1884

AN ACT

To incorporate the Providence Lying-in Hospital.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital for the erection, support and maintenance of a lying-in hospital in the city of Providence,

with all the powers and privileges, and subject to all the duties and liabilities set forth in Chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said Corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

Sec. 3. This act shall take effect from and after its passage.

IN SENATE, Jany 21 1884

READ AND PASSED.

M. Aylesworth

Secretary

RIDOH 0345

State of Rhode Island and Providence Plantations

Department of State

Office of the Secretary of State

I, FREDERICK A. MASSARO — First Deputy — Secretary of State of the State of Rhode Island and Providence Plantations; hereby Certify that the aforegoing is a true xerographic copy of a certain Amendment to the Articles of Association of The Providence Lying-in Hospital; said Amendment changed the corporate name to Women and Infants Hospital of Rhode Island; the same being

taken from the records in this office and compared with the original articles of association filed in this office on the thirtieth day of July, A.D. 1974

and now remaining on file and of record in this office.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this twenty-seventh day of March A.D. 19 75

Frederick A. Massaro

First Deputy Secretary of State

RIDOH 0346

State of Rhode Island and Providence Plantations

Department of State

Office of the Secretary of State

I, ~~FREDERICK A. MASSARO Deputy~~ Secretary of State of the State of Rhode Island and Providence Plantations, hereby Certify that the aforegoing is a true xerographic copy of Papers of incorporation etc. relating to "THE PROVIDENCE LYING IN HOSPITAL"

taken from the records in this office and compared with the original on file in the "Charters" and "Resolutions of the Rhode Island General Assembly."

and now remaining on file and of record in this office, in the Archives Division.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this ~~twenty fifth~~ day of February, A. D. 19 75

Frederick A. Massaro

Secretary of State

State of Rhode Island and Providence Plantations

Department of State

Office of the Secretary of State

I, FREDERICK A. MASSARO Deputy Secretary of State of the State of Rhode Island and Providence Plantations, herby Certify that the aforegoing is a true xerographic copy of "An Act to Incorporate the Providence Lying-in Hospital," taken from the records in this office and compared with the original in "CHARTERS", Volume 43, page 37, dated January Session, of the Rhode Island General Assembly, 1884, and now remaining on file and of record in this office, in the Archives Division.

In Testimony Whereof, I have hereunto set my hand and affixed the seal of the State of Rhode Island, this third day of April, A. D. 19 75

Deputy Secretary of State.

RIDOH 0348

State of Rhode Island &c.

IN GENERAL ASSEMBLY,

January SESSION, A. D. 1884

AN ACT

To incorporate the Providence Lying-in Hospital.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital for the erection, support and maintenance of a lying-in hospital in the city of Providence,

with all the powers and privileges, and subject to all the duties and liabilities set forth in Chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said Corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

Sec. 3. This act shall take effect from and after its passage.

IN SENATE January 21, 1884

READ AND PASSED.

J. M. Addeman Secretary

RIDOH 0349

(Original Amendment of Articles of Association of NON-BUSINESS Corporation.)

State of Rhode Island and Providence Plantations

July 29, 1974

WE, the undersigned Officers of

THE PROVIDENCE LYING-IN 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 Providence in said State, on the 17th day of July, A. D. 1974, the following amendment(s) to the Articles of Association was (or were) duly adopted by the affirmative vote of ~~xx~~its members viz:—

"VOTED, That Section I of the Charter of the Corporation is amended by substituting for the name of the Hospital, 'Women and Infants Hospital of Rhode Island' and substituting thereafter 'Women and Infants Hospital' for Lying-In Hospital."

It is further certified that this Corporation was formed by special act of the General Assembly and, pursuant to General Laws of Rhode Island, Section 7-6-10, may amend its charter by such vote as is prescribed for the amendment of its bylaws, and that its by-laws provide for amendment by a majority vote of those present at a meeting of the Corporation; and that a quorum at a meeting of the Corporation is eleven members, and that 14 members were present at the meeting and the vote was 14 for the amendment and none against.

[CORPORATE SEAL]

ATTEST:

President.

Secretary.

48

NON-BUSINESS

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF

THE PROVIDENCE LYING-IN HOSPITAL

Duly Incorporated Under the Laws of
the State of Rhode Island.

JUL 30-74 SEC-OF STATE 1919 CD****10.0(

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

JUL 30 1974 19

RIDOH 0351

ACTS AND RESOLVES

PASSED AT THE

GENERAL ASSEMBLY

OF THE

STATE OF RHODE ISLAND

AND

PROVIDENCE PLANTATIONS

AT THE

JANUARY SESSION, A.D., 1983

THE

SPECIAL SEPTEMBER SESSION, A.D., 1983

AND THE

SPECIAL DECEMBER SESSION, A.D., 1983

RHODE ISLAND
JUN 25 1984
STATE LIBRARY

345.12
R.I.
1983

JOINT COMMITTEE ON LEGISLATIVE AFFAIRS
SPEAKER MATTHEW J. SMITH, CHAIRMAN

LAW REVISION

1983

RIDOH 0352

employees' retirement system, one (1) shall be a member of the teachers' retirement system, and one (1) shall be a member of the state employees' retirement system; one (1) of whom shall be a member of the public, who shall be a member of the teachers' retirement system, to be appointed by the president of the Rhode Island Education Association; three (3) of whom shall be members of the public, to be appointed by the governor, of whom one (1) shall be an active banker, one (1) an active investment counselor, and one (1) an active clergyman; and whose purpose it shall be to study the feasibility of requiring the divestiture of securities of public pension funds from American companies operating in South Africa and the feasibility of cessation of business with American banks with outstanding loans to the government of South Africa.

Forthwith upon the passage of this resolution, the members of the commission shall meet at the call of the speaker of the house and organize and shall select from among the legislators a chairman. Vacancies in said commission shall be filled in like manner as the original appointment.

The membership of said commission shall receive no compensation for their services.

All departments and agencies of the state shall furnish such advice and information, documentary and otherwise, to said commission and its agents as is deemed necessary or desirable by the commission to facilitate the purposes of this resolution.

The speaker of the house is hereby authorized and directed to provide suitable quarters for said commission; and be it further

RESOLVED, That the commission shall report its findings and recommendations to the general assembly on or before April 6, 1984 and said commission shall expire on June 6, 1984.

ACTS

OF A

Local and Private Nature

INCLUDING

ACTS OF INCORPORATION

PASSED AT THE

Special September Session, A.D. 1983

83-H 8006
Effective Sep. 23, 1983.

AN ACT AUTHORIZING WOMEN AND INFANTS HOSPITAL FORMERLY KNOWN AS THE PROVIDENCE LYING-IN HOSPITAL TO INCREASE ITS TAX EXEMPT HOLDINGS

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In hospital," passed by the general assembly at its January, A.D. 1884 session, as amended, is hereby amended so as to read as follows:

"Sec. 2. Said corporation, formerly known as Providence Lying-In Hospital and now called Women and Infants Hospital, may take, hold, transmit and convey real and personal estate to an amount not exceeding eighty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation so long as it shall be used for the purposes for which said corporation was organized."

SECTION 2. This act shall take effect upon its passage.

RIDOH 0353

ACTS AND RESOLVES

PASSED AT THE

GENERAL ASSEMBLY

OF THE

STATE OF RHODE ISLAND

AND

PROVIDENCE PLANTATIONS

AT THE

JANUARY SESSION, A. D., 1976

345.1
R.I.
1976
Desk

DEPARTMENT OF STATE

OFFICE OF THE SECRETARY OF STATE

PROVIDENCE
THE OXFORD PRESS, INC.
1976

RIDOH 0354

76-H 7201
Effective
Apr. 1, 1976.

AN ACT in Amendment of "An Act to Incorporate the Providence Lying-In Hospital" Passed at the January Session A.D. 1884.

It is enacted by the General Assembly as follows:

Section 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ~~five million dollars~~ twenty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation as long as it shall be used for the purposes for which said corporation was organized."

Sec. 2. This act shall take effect from and after its passage.

76-H 7401
Effective
May 5, 1976.

AN ACT Relating to the Rhode Island Share and Deposit Insurance Corporation.

It is enacted by the General Assembly as follows:

Section 1. The act entitled "An act to incorporate Rhode Island Share and Deposit Insurance Corporation" passed May 16, 1969 as amended, is hereby further amended to read as follows:

Section 1. Clarence Cavanaugh, Joseph Cugini, William Favicchio, Thomas Henderson, Vincent T. Izzo, Paul M. Mirante, Bernard Pagliaro, Franklin Read, Jr., Joseph Iannelli and Mathew Lysik are hereby constituted a corporation with perpetual succession in its corporate name for the purpose of providing a fund for the insurance against loss of shares and deposits of members of credit unions, banks and other financial institutions.

Sec. 2. Except as otherwise herein provided, or where such laws would be in conflict with a provision of this act, the general laws of Rhode Island relating to business corporations (title 7, chapters 1 through 5) shall apply to the formation, powers, operation, and dissolution of said corporation and shall in all respects govern said corporation as if it had been formed under the general laws.

Sec. 3. The persons named in section 1 hereof are constituted the incorporators of said corporation with all the powers and duties given incorporators under the provisions of the general laws relating to business corporations.

Sec. 4. The name of the corporation shall be Rhode Island Share and Deposit Insurance Corporation.

Sec. 5. The corporation shall not commence business until it shall have received capital contributions in cash totalling at least twenty-five thousand dollars above any debts of the corporation.

Sec. 6. The provisions of section 4 and 5 hereof may be amended, subject to the provisions of section 7 hereof, in the manner provided in the general laws for

RIDOH 0355

ACTS AND RESOLVES

PASSED BY THE

GENERAL ASSEMBLY

OF THE

STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS

AT THE

JANUARY SESSION, A.D. 1956

STATE OF RHODE ISLAND, ETC.
DEPARTMENT OF STATE
OFFICE OF THE SECRETARY OF STATE

PROVIDENCE:
THE OXFORD PRESS
1956

RIDOH 0356

S 157
Approved
Feb. 16, 1956.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION A.D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to incorporate the Providence Lying-In Hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation."

SEC. 2. This act shall take effect from and after its passage.

S 12
Approved
April 13, 1956

AN ACT IN AMENDMENT OF THE FIRST SENTENCE OF SECTION 3 AND THE LAST SENTENCE OF SECTION 7 OF THE ACT, PASSED AT THE JANUARY SESSION, 1930, ENTITLED "AN ACT TO INCORPORATE THE QUONOCONTAUG CENTRAL BEACH FIRE DISTRICT," AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. The first sentence of section 3 of the act, passed at the January session, 1930, entitled "An act to incorporate the Quonocontaug central beach fire district," as amended by an act passed at the January session, 1942, approved March 27, 1942, is hereby further amended to read as follows:

"Sec. 3. The annual meeting of said Quonocontaug central beach fire district shall be holden at some convenient place within the district or without the district, providing said meeting place shall be within five miles of said district. ***."

SEC. 2. The last sentence of section 7 of said act, passed at the January session, 1930 is hereby amended to read as follows:

"Sec. 7. ***. *Provided, however,* that the tax assessed and payable in any one year under the provisions of this act shall not exceed ten mills on each dollar of said valuation."

SEC. 3. This act shall take effect upon its passage and all acts and parts of acts inconsistent herewith are hereby repealed.

AN ACT IN AMENDMENT OF THE ACT, PASSED AT THE JANUARY SESSION, 1926, APPROVED APRIL 19, 1926, ENTITLED "AN ACT TO INCORPORATE THE RESOLUTE FIRE INSURANCE COMPANY OF PROVIDENCE," AS AMENDED. (Now Resolute Insurance Company.) H 870 Approved May 3, 19

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of the act, passed at the January session, 1926, approved April 19, 1926, entitled "An act to incorporate the Resolute Fire Insurance Company of Providence," as amended by an act passed at the January session, 1929, approved March 28, 1929, by an act passed at the January session, 1943, approved April 22,

RIDOH 0357

ACTS AND RESOLVES

PASSED BY THE

GENERAL ASSEMBLY

OF THE

STATE OF RHODE ISLAND AND
PROVIDENCE PLANTATIONS

AT THE

JANUARY SESSION, A. D. 1930

STATE OF RHODE ISLAND, ETC.
OFFICE OF THE SECRETARY OF STATE, 1930

PROVIDENCE:
THE OXFORD PRESS
1930

RIDOH 0358

said corporation as a compromise of the penalty or penalties for its failure to file such reports, then the forfeiture of the articles of association of said corporation shall thereupon, to wit, upon the filing of said reports and the payment of said fees, be vacated and said corporation shall thereupon be entitled to all of the privileges, benefits and powers and subject to the same duties and liabilities as though no forfeiture of its said articles of association had taken place.

SEC. 2. All acts and parts of acts inconsistent herewith are hereby repealed and this act shall take effect upon its passage.

H 989
Approved
April 15, 1930.

AN ACT REINSTATING THE CHARTER OF THE CORPORATION, S. MARIA DI MERINO.

It is enacted by the General Assembly as follows:

SECTION 1. The time within which the corporation, S. Maria di Merino, incorporated under the authority of chapter 212 of the general laws, on April 15, 1919, shall file the reports for the years 1926, 1928 and 1930, as required under the provision of section 2 of chapter 651 of the public laws of the state of Rhode Island. 1925, is hereby extended to the first day of June, 1930. If said corporation shall file in the office of the secretary of state, before June 1, 1930, reports which it should have filed in the said years 1926, 1928 and 1930 and shall pay to the secretary of state the filing fees therefor, having previously thereto paid to the general treasurer for the use of the state, such sum or sums as the attorney general under the provisions of section 82 of chapter 248 of the general laws of Rhode Island, 1923, shall decide should be paid by said corporation as a compromise of the penalty or penalties for failure to file such reports, then the forfeiture of the charter of said corporation shall thereupon to wit, upon the filing of said reports and the payment of the said fees, be vacated and the charter of the said corporation shall thereupon be reinstated in full force and effect and the said corporation shall thereafter continue with the same powers and be subject to the same duties and liabilities as before such forfeiture.

SEC. 2. This act shall take effect upon its passage, and all acts and parts of acts inconsistent herewith are hereby repealed.

AN ACT AUTHORIZING THE SEAMEN'S CHURCH INSTITUTE OF NEWPORT TO TAKE, HOLD, TRANSMIT AND CONVEY REAL AND PERSONAL ESTATE TO AN AMOUNT NOT EXCEEDING IN ALL FIVE HUNDRED THOUSAND DOLLARS.

H 627
Approved
Jan. 29, 1930.

It is enacted by the General Assembly as follows:

SECTION 1. The Seamen's Church Institute of Newport, a corporation incorporated under the provisions of chapter 1925 of the public laws, 1920, on January 17, 1921, is hereby authorized to take, hold, transmit and convey real and personal estate to an amount not exceeding in all five hundred thousand dollars.

SEC. 2. This act shall take effect upon its passage.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION, A. D. 1884.

H 608
Approved
Feb. 28, 1930.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to

RIDOH 0359

incorporate the Providence Lying-in Hospital," is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding two million dollars."

SEC. 2. This act shall take effect from and after its passage.

S 39
Approved March 11, 1930.

AN ACT IN AMENDMENT OF SECTION 2 OF AN ACT, ENTITLED "AN ACT TO INCORPORATE THE PROVIDENCE PERMANENT FIREMEN'S RELIEF ASSOCIATION OF PROVIDENCE, RHODE ISLAND," PASSED AT THE JANUARY SESSION, 1887, AS AMENDED.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act, entitled "An act to incorporate the Providence Permanent Firemen's Relief Association of Providence, Rhode Island," passed at the January session, 1887, as amended by an act passed at the January session, 1899 and by an act passed at the January session, 1909, is hereby further amended to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding one hundred fifty thousand dollars, and said real and personal estate shall be exempt from taxation."

SEC. 2. This act shall take effect upon its passage, and all acts and parts of acts inconsistent herewith are hereby repealed.

AN ACT AUTHORIZING THE PROVIDENCE BOYS' CLUB TO TAKE, HOLD, TRANSMIT AND CONVEY REAL AND PERSONAL ESTATE TO AN AMOUNT NOT EXCEEDING $1,000,000.

H 563
Approved March 21, 1930.

It is enacted by the General Assembly as follows:

SECTION 1. The Providence Boys Club, a charitable corporation organized under chapter 176, general laws of Rhode Island, 1896, is hereby authorized, empowered and entitled to take, hold, transmit and convey real and personal estate to an amount not exceeding in all one million dollars.

SEC. 2. This act shall take effect upon its passage, and all acts and parts of acts inconsistent herewith are hereby repealed.

AN ACT IN AMENDMENT OF SECTION 2 OF AN ACT, ENTITLED "AN ACT TO INCORPORATE THE TRUSTEES OF THE FOURTH BAPTIST CHURCH, IN PROVIDENCE," PASSED AT THE JANUARY SESSION, 1879.

H 630
Approved April 7, 1930.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act, entitled "An act to incorporate the trustees of the Fourth Baptist Church, in Providence," passed at the January session, 1879, is hereby amended to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding two hundred fifty thousand dolars."

SEC. 2. This act shall take effect upon its passage, and all acts and parts of acts inconsistent herewith are hereby repealed.

RIDOH 0360

Rhode Island Department of Health
Division of Public Health Information
Center for Health Data and Analysis
Three Capitol Hill
Providence, RI 02908-5097

fixed from time to time by vote of said corporation, and the par value of each share shall be one hundred dollars.

SEC. 7. The said corporation shall have a place of business in Newport.

SEC. 8. This act shall take effect immediately.

Passed April 20, 1898.

AN ACT IN ADDITION TO AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL, PASSED AT THE JANUARY SESSION, A. D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. The chairman of the senate committee on finance and the chairman of the committee on finance of the house of representatives shall be *ex officio* trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the general assembly, passed at the January session, A. D. 1884.

SEC. 2. This act shall take effect on and after its passage.

Passed April 21, 1898.

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE RHODE ISLAND MEDICAL SOCIETY," PASSED BY THE GENERAL ASSEMBLY AT ITS FEBRUARY SESSION, A. D. 1812, AMENDED AT ITS JANUARY SESSION, A. D. 1887.

It is enacted by the General Assembly as follows:

SECTION 1. Section 8 of an act entitled "An act to incorporate the Rhode Island Medical Society," is hereby amended to read as follows:

"SEC. 8. And be it further enacted, that the said society may and shall forever be deemed capable in law, of leasing, holding and taking, in fee simple or any less estate, by gift, grant or devise or otherwise any land, tenement or other estate, real or personal, to the amount of one hundred thousand dollars, and such personal property shall be exempt from taxation to the amount of twenty thousand dollars so long as the same shall be exclusively appropriated and used for such purposes as are consistent with the end and design of the institution of the said society."

SEC. 2. This act shall take effect immediately upon its passage.

AN ACT IN AMENDMENT OF AN ACT ENTITLED "AN ACT TO INCORPORATE THE SOUTHERN RHODE ISLAND PRESS CLUB." Passed March 4, 1898.

It is enacted by the General Assembly as follows:

SECTION 1. The name of the Southern Rhode Island Press Club, a corporation created by the general assembly at its January session, A. D. 1893, is hereby changed to that of The Rhode Island Press Club, and by said latter name said corporation shall be entitled to all the rights and privileges, and subject to all the duties and liabilities it would have been entitled or subject to had not its name been changed, as aforesaid.

SEC. 2. This act shall take effect upon its passage, and all acts and parts of acts inconsistent herewith are hereby repealed.

AN ACT IN AMENDMENT OF THE CHARTER OF THE BAY SIDE IMPROVEMENT SOCIETY. Passed April 28, 1898.

It is enacted by the General Assembly as follows:

SECTION 1. The Bay Side Improvement Society, a corporation created and organized pursuant to the provisions of chapter 176 of the General Laws, is hereby authorized to issue stock to the amount of twenty thousand dollars, the shares of said stock shall be of the par value of five dollars each.

SEC. 2. This act shall take effect upon its passage.

RIDOH 0362

ACTS AND RESOLVES
OF THE
STATE
OF
RHODE-ISLAND
AND
PROVIDENCE PLANTATIONS,
PASSED AT THEIR
JANUARY SESSION,
1804.

made a corporation by the name of The Cigar Makers' Protective and Benevolent Union, number ninety-four, for the purpose of mutual protection and benevolence among the members thereof, and to care for the sick and to bury deceased members thereof, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ten thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

Passed Feb. 29, 1884.

AN ACT TO INCORPORATE THE CHRISTIAN MISSION IN THE CITY OF PROVIDENCE.

It is enacted by the General Assembly as follows:

SECTION 1. Andrew J. Crossman, Reuben A. Guild, Robert P. Gifford, Benj. F. Arnold, Frank H. Maynard, Wm. E. Simmonds, J. T. Ward, Joseph S. Swain, W. T. Worth, C. L. Goodell, Augustine Jones, James G. Warren, M. M. Champlin, F. A. Jarvis, J. H. Atwater, their associates and successors are hereby made a corporation by the name of The Christian Mission for religious and charitable purposes with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding thirty thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

Passed Feb. 23, 1884.

AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital, for the erection, support and maintenance of a lying-in hospital in the city of Providence, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

Passed Mar. 4, 1884.

AN ACT TO INCORPORATE THE PROVIDENCE JEWELERS SOCIETY.

It is enacted by the General Assembly as follows:

SECTION 1. John H. Dorsey, William A. Guild and Charles W. Keegan, their associates and successors are hereby made a corporation by the name of The Providence Jewelers Society, for the purpose of mutual benefit and assistance, and for mutual improvement in knowledge and in the art or trade in which they are engaged, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ten thousand dollars.

RIDOH 0364

and convey real and personal estate to an amount not exceeding five thousand dollars.

SEC. 3. This act shall take effect immediately upon and after its passage.

Passed March 22, 1881.

AN ACT TO INCORPORATE "HOWARD TEMPLE OF HONOR NO. 31," OF HOPKINTON.

It is enacted by the General Assembly as follows:

SECTION 1. Edgar A. Burdick, William A. Roberson, Dwight R. Merritt, Ethan C. Crandall, William L. Clark, and Charles E. Merritt, their associates and successors are hereby made a corporation by the name of "Howard Temple of Honor, No. 31," for charitable and benevolent purposes, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 139 of the General Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ten thousand dollars.

SEC. 3. This act shall take effect on and after its passage.

Passed March 31, 1881.

AN ACT TO INCORPORATE REDWOOD LODGE NO. 35.

It is enacted by the General Assembly as follows:

SECTION 1. Myer Noot, Leopold Hartman, Lorenzo Traver, John H. Spitz, Adolph Cohen, their associates and successors are hereby made a corporation for mutual benefit and charity, by the name of Redwood Lodge, No. 35, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 139 of the General Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, and convey real and personal estate to an amount not exceeding twenty thousand dollars.

Passed April 8, 1881.

AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, Edward D. Pearce, their associates and successors are hereby made a corporation by the name of the Providence Lying-in Hospital, for the erection, support and maintenance of a lying-in hospital in the city of Providence, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 139 of the General Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

Passed April 12, 1881.

AN ACT TO INCORPORATE PROVIDENCE BRANCH NO. 53 OF THE CATHOLIC KNIGHTS OF AMERICA.

It is enacted by the General Assembly as follows:

SECTION 1. Bernard O'Donnell, Michael H. Sullivan, Adolph A. Rothemich, Jeremiah F. Leahy, their associates and successors are hereby made a corporation by the name of Providence Branch, No. 53, of the Catholic Knights of America, for mutual aid and charitable purposes, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 139 of the General Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding five thousand dollars.

SEC. 3. The persons now holding office in the association heretofore known as "Providence Branch, No. 53, of the Catholic Knights of America," shall con-

RIDOH 0365

83-H 8006
Effective Sep. 23, 1983.

AN ACT AUTHORIZING WOMEN AND INFANTS HOSPITAL FORMERLY KNOWN AS THE PROVIDENCE LYING-IN HOSPITAL TO INCREASE ITS TAX EXEMPT HOLDINGS

is enacted by the General Assembly as follows:

SECTION 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In hospital," passed by the general assembly at its January, A.D. 1884 session, as amended, is hereby amended so as to read as follows:

"Sec. 2. Said corporation, formerly known as Providence Lying-In Hospital and now called Women and Infants Hospital, may take, hold, transmit and convey real and personal estate to an amount not exceeding eighty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation so long as it shall be used for the purposes for which said corporation was organized."

SECTION 2. This act shall take effect upon its passage.

RIDOH 0366

(Original Amendment of Articles of Association of NON-BUSINESS Corporation.)

State of Rhode Island and Providence Plantations

July 29, 1974

WE, the undersigned Officers of

THE PROVIDENCE LYING-IN 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 Providence in said State, on the 17th day of July, A. D. 1974, the following amendment (s) to the Articles of Association was (or were) duly adopted by the affirmative vote of xxxits members viz:—

"VOTED, That Section I of the Charter of the Corporation is amended by substituting for the name of the Hospital, 'Women and Infants Hospital of Rhode Island' and substituting thereafter 'Women and Infants Hospital' for Lying-In Hospital."

It is further certified that this Corporation was formed by special act of the General Assembly and, pursuant to General Laws of Rhode Island, Section 7-6-10, may amend its charter by such vote as is prescribed for the amendment of its bylaws, and that its by-laws provide for amendment by a majority vote of those present at a meeting of the Corporation; and that a quorum at a meeting of the Corporation is eleven members, and that 14 members were present at the meeting and the vote was 14 for the amendment and none against.

[CORPORATE SEAL]

ATTEST:

President

Secretary

RIDOH 0367

ORIGINAL

CERTIFICATE OF AMENDMENT OF
ARTICLES OF ASSOCIATION OF

THE PROVIDENCE LYING-IN HOSPITAL

Duly Incorporated Under the Laws of
the State of Rhode Island.

JUL 30-74 SEC-OF STATE 1919 CD****10.00

FILED IN THE OFFICE OF THE
SECRETARY OF STATE

JUL 30 74 19

RIDOH 0368

76-H 7201
Effective
Apr. 1, 1976.

AN ACT in Amendment of "An Act to Incorporate the Providence Lying-In Hospital" Passed at the January Session A.D. 1884.

It is enacted by the General Assembly as follows:

Section 1. Section 2 of the act entitled, "An act to incorporate the Providence Lying-In hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding ~~five million dollars~~ twenty-five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation as long as it shall be used for the purposes for which said corporation was organized."

Sec. 2. This act shall take effect from and after its passage.

RIDOH 0369

S 157
Approved
Feb. 16, 1956.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION A.D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to incorporate the Providence Lying-In Hospital" is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding five million dollars, and all property, real and personal, now or hereafter owned by or held for said corporation and used for its purposes shall be exempt from taxation."

SEC. 2. This act shall take effect from and after its passage.

RIDOH 0370

JANUARY SESSION, 1930.

AN ACT IN AMENDMENT OF "AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL" PASSED AT THE JANUARY SESSION, A. D. 1884.

Approved Feb. 13 1930.

It is enacted by the General Assembly as follows:

SECTION 1. Section 2 of an act entitled, "An act to incorporate the Providence Lying-in Hospital," is hereby amended so as to read as follows:

"Sec. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding two million dollars."

SEC. 2. This act shall take effect from and after its passage.

RIDOH 0371

Passed April 29, 1884.

AN ACT IN ADDITION TO AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL, PASSED AT THE JANUARY SESSION, A. D. 1884.

It is enacted by the General Assembly as follows:

SECTION 1. The chairman of the senate committee on finance and the chairman of the committee on finance of the house of representatives shall be *ex-officio* trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the general assembly, passed at the January session, A. D. 1884.

SEC. 2. This act shall take effect on and after its passage.

RIDOH 0372

AN ACT TO INCORPORATE THE PROVIDENCE LYING-IN HOSPITAL.

Passed Feb. 29, 1884.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital, for the erection, support and maintenance of a lying-in hospital in the city of Providence, with all the powers and privileges, and subject to all the duties and liabilities set forth in chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

19

RIDOH 0373

State of Rhode Island, &c.

IN GENERAL ASSEMBLY,

24

January SESSION, A. D. 1898.

RESOLUTION

making an appropriation to the Providence Lying-in Hospital to assist it in receiving and caring for indigent women and infants.

Whereas the Providence Lying-in Hospital annually receives into its wards and furnishes medical and surgical attendance and nursing for a large number of women and infants who would otherwise become a charge upon the state.

RESOLVED that the sum of Twenty five Hundred Dollars be and the same is hereby appropriated out of any moneys in the Treasury not otherwise appropriated for the purpose of assisting the Providence Lying-in Hospital in caring for such indigent patients: and the State Auditor is hereby directed to draw his order upon the General Treasurer for the payment of the same out of any moneys not otherwise appropriated.

IN HOUSE OF REPRESENTATIVES.
MAY. 5 1898
Read and Passed in Concurrence.
Clerk.

IN SENATE May 5 1898
WITHIN Res
READ AND PASSED
CLERK

RHODE ISLAND STATE ARCHIVES
Resolutions of R.I. Gen Ass.
VOL. 115 PAGE 24

Act to incorporate the Providence Lying-in Hospital.

It is enacted by the General Assembly as follows:

Section 1. Alvin C. Higgins, John N. Mitchell, George H. Porter, Benjamin A. Jackson, James G. Vose, Edward D. Pierce

and their associates, together with such other persons as shall from time to time be duly admitted members of the corporation hereby created, are hereby constituted a body politic and corporate by the name of the Providence Lying-in Hospital, and by that name shall have perpetual succession, and may sue and be sued, prosecute and defend suits in law or in Equity to final judgment and Execution; and they may have and use a common seal, to be by them devised, altered and renewed at their pleasure.

Sec. 2. The said Corporation may at its first, or any subsequent meeting, choose all necessary and

convenient Officers, who shall be elected in such manner and for such periods of time as the by-laws of said corporation shall provide, and the said corporation shall have power to make and establish such by-laws and regulations for the election, government, and suspension and expulsion of its members, and for the management of its property as it shall judge to be proper, not repugnant to the laws of this State, or of the United States.

Sec. 3. The said corporation may take and receive, hold, purchase, possess, let, lease, mortgage, or sell real and personal estate, to be used and improved for the erection, support and maintenance of a lying-in hospital in the city of Providence, and for carrying into full effect the charitable and humane intentions of the corporation; provided, that the income of its real and personal estate together does not ~~exceed one year's rent of the sum of~~ ~~Twenty~~ Thousand dollars, the property and estate of said corporation,

State of Rhode Island, &c.

IN GENERAL ASSEMBLY.

January Session, A. D. 1881.

In House of Reps. April 1.

The Joint Committee on Engrossed Acts, to whom was referred to be engrossed, an act entitled

An Act to incorporate the Providence Lying-in Hospital

REPORT

The accompanying bill as truly and rightly engrossed.

For the Committee, John F. Clark

meeting, choose a clerk presiding and

RIDOH 0377

37.

State of Rhode Island, &c.

IN GENERAL ASSEMBLY.

January Session, A. D. 1884

The Joint Committee on Engrossed Acts, to whom was referred to be engrossed, an act entitled

An Act to incorporate the Providence Lying-in Hospital

REPORT

The accompanying bill as truly and rightly engrossed.

For the Committee,

John Lewis

RIDOH 0378

State of Rhode Island &c.

IN GENERAL ASSEMBLY,

January SESSION, A. D. 1881

AN ACT

to incorporate the Providence Lying-in Hospital.

It is enacted by the General Assembly as follows:

Section 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, Edward D. Pearce,

their associates and successors are hereby made a corporation by the name of the Providence Lying-in Hospital

for the erection, support and maintenance of a Lying-in Hospital in the city of Providence

with all the powers and privileges, and subject to all the duties and liabilities set forth in Chapter 139

of the General Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said Corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding Three hundred thousand dollars.

Sec. 3. This act shall take effect from and after its passage.

IN SENATE, Jan. 1 1881
READ AND PASSED.
[illegible]
Secretary

RHODE ISLAND STATE ARCHIVES
Charters
VOL. PAGE

RIDOH 0379

State of Rhode Island &c.

IN GENERAL ASSEMBLY,

January SESSION, A. D. 1884

AN ACT

To incorporate the Providence Lying-in Hospital.

It is enacted by the General Assembly as follows:

SECTION 1. Oliver C. Wiggin, John W. Mitchell, George W. Porter, Benjamin A. Jackson, James G. Vose, their associates and successors are hereby made a corporation by the name of The Providence Lying-in Hospital for the erection, support and maintenance of a lying-in hospital in the city of Providence, with all the powers and privileges, and subject to all the duties and liabilities set forth in Chapter 152 of the Public Statutes, and in any acts in amendment thereof or in addition thereto.

SEC. 2. Said Corporation may take, hold, transmit and convey real and personal estate to an amount not exceeding three hundred thousand dollars.

SEC. 3. This act shall take effect from and after its passage.

IN SENATE Jany 21 1884

READ AND PASSED.

M. Ackerman
Secretary

RIDOH 0380

To the Honorable General Assembly of the State of Rhode Island, &c.,

at its January Session, A. D. 1884

The undersigned petitioners, respectfully represent that they desire to become a body corporate under the name of the

Providence Lying-in Hospital

for the purpose of providing a place for the confinement of women who are without means and suitable abode at the time of Child-birth,

in conformity with the accompanying bill.

Wherefore, they pray your honorable body to grant their request creating them a corporation, and as in duty bound will ever pray.

Oliver C. Wiggin,
John N. Mitchell
Benj. A. Jackson
George H. Potter
James G. Vose

RHODE ISLAND STATE ARCHIVES
Charters
VOL. 43 PAGE 37

24

State of Rhode Island, &c.

IN GENERAL ASSEMBLY,

January SESSION, A. D. 1896.

AN ACT

in addition to an Act to incorporate the Providence Lying-in Hospital, passed at the January Session, 1884.

It is enacted by the General Assembly as follows:

Section 1. The Chairman of the Senate Committee on Finance, and the Chairman of the Committee on Finance of the House of Representatives, shall be, ex-officio, ~~directors~~ trustees of ~~said Provi-~~ dence Lying-in Hospital.

Sec. 2.- This Act shall take effect on and after its passage.

IN SENATE Feb. 20 1896
WITHIN ACT
READ AND PASSED,
CLERK.

RIDOH 0382

State of Rhode Island, &c.

IN GENERAL ASSEMBLY,

January SESSION, A. D. 1878

V. 29.

AN ACT

in addition to an Act to incorporate the Providence Lying-in Hospital, passed at the January Session, A.D., 1884

It is enacted by the General Assembly as follows:

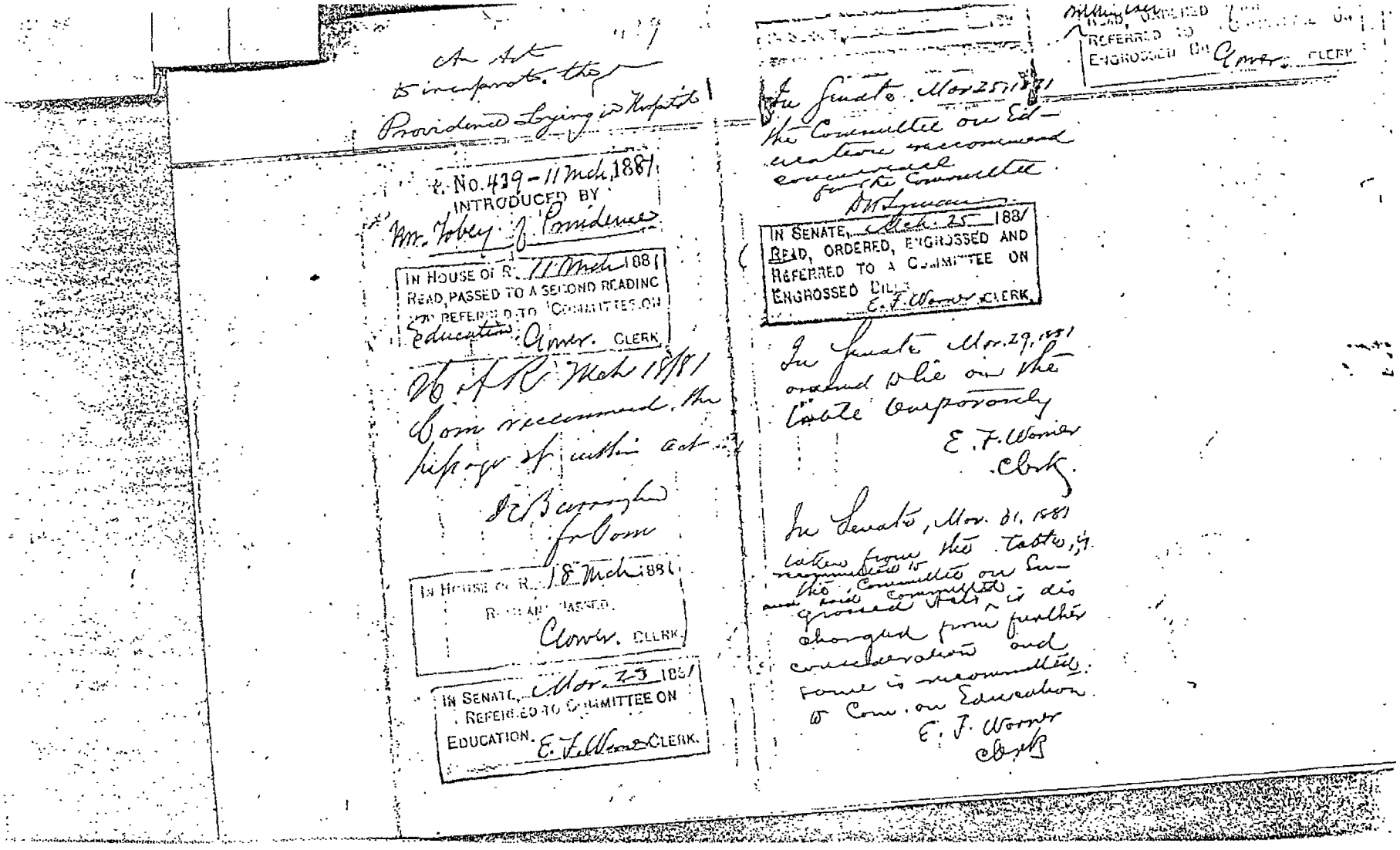
Section 1. The Chairman of the Senate Committee on Finance, and the Chairman of the committee on Finance of the House of Representatives, shall be, ex officio, trustees of the Providence Lying-in Hospital, a corporation incorporated by act of the General assembly passed at the January session A.D., 1884.

Sec. 2 This act shall take effect on and after its passage.

IN HOUSE OF REPRESENTATIVES.
APR 27 1878
READ AND PASSED.
Asst. Clerk

RHODE ISLAND STATE ARCHIVES
Charters
VOL. 17 PAGE 29

RIDOH 0383


An Act
to incorporate the
Providence Lying in Hospital
S. No. 439 – 11 Mch. 1881
INTRODUCED BY
Mr. Tobey of Providence
IN HOUSE OF R. 11 Mch 1881
READ, PASSED TO A SECOND READING
AND REFERRED TO COMMITTEE ON
Education
Gower. CLERK
H. of R. Mch 17/81
Com recommend the
passage of within act
H C Bayley
for Com
IN HOUSE OF R. 18 Mch 1881
READ AND PASSED.
Gower. CLERK
IN SENATE, Mar. 2-3 1881
REFERRED TO COMMITTEE ON
EDUCATION. E. F. Wooster CLERK
In Senate Mar 25 1881
the Committee on Ed-
ucation recommend
concurrence
for the Committee
D R Lyman
IN SENATE, March 25 1881
READ, ORDERED, ENGROSSED AND
REFERRED TO A COMMITTEE ON
ENGROSSED BILLS
E. F. Wooster CLERK
In Senate Mar 29. 1881
ordered lie on the
table temporarily
E. F. Wooster
Clerk.
In Senate, Mar. 31. 1881
taken from the table, &
recommitted to
the Committee on Ed
and said Committee is discharged from further
consideration and
same is recommitted
to Com. on Education
E. F. Wooster
Clerk
REFERRED TO
ENGROSSED BILL Gower CLERK

RIDOH 0384

36

To the Honorable the General Assembly of the State of Rhode Island at its January Session A.D. 1891.

The undersigned respectfully represent that they are desirous of being incorporated under the name of the Providence Lying in Hospital

Wherefore they pray your Honorable body for the passing of the accompanying Act of incorporation

Olivier C Mason
J R Metcalf

both real and personal, shall not at any time be liable to be assessed in the apportionment of any State or town tax.

~~Sec. 4. It shall be lawful for the corporation at any general meeting of its members to alter or change the manner of said incorporation; provided, that notice of such proposed alteration shall be given by authority of said corporation in one or more daily newspapers printed in the city of Providence, for at least three weeks previously to such meeting; and said corporation shall hold and enjoy all the powers and privileges given by this act, notwithstanding such alteration and change.~~

Sec. ~~5~~ 4. The persons herein named, or any two or more of them, shall have power to call the first meeting of the members of said corporation, by giving public notice of the time and place of meeting in two daily newspapers printed in Providence.

IN SENATE, ... 186
READ AND PASSED IN CONCURRENCE.

IN HOUSE 18th
READ AND PASSED.
Geo. Lauderdale CLERK.

RIDOH 0386

Statistics for Admission Book May 4, 1897 to April 30, 1898.

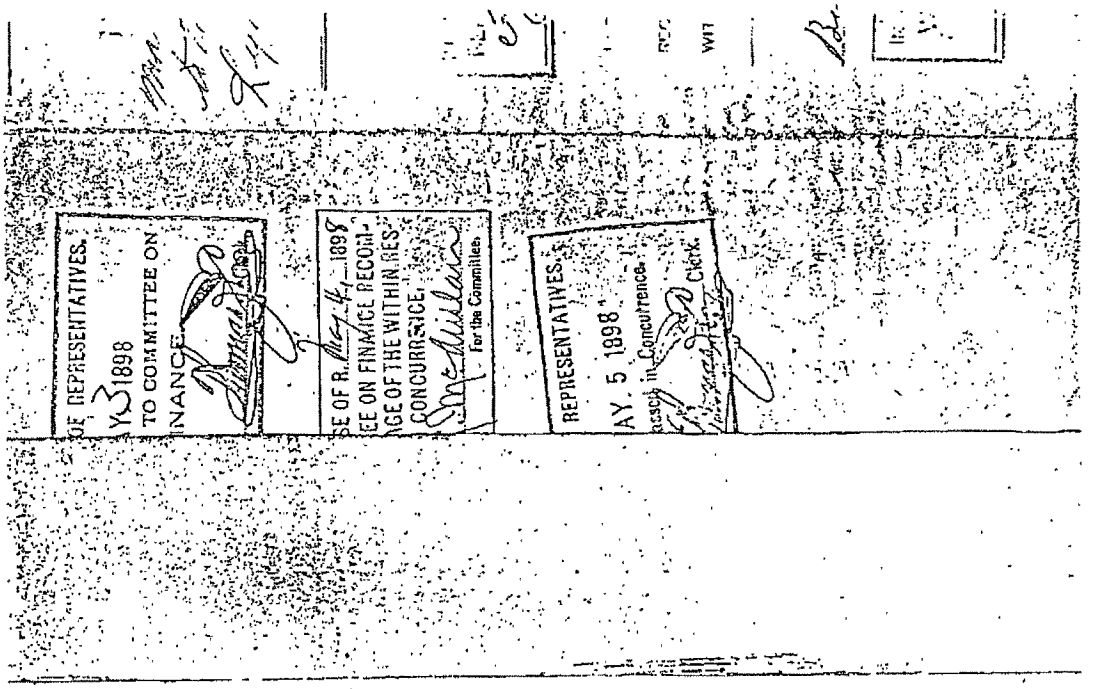
Towns	Free	Municipal	Paying	Total
Lincoln	53	2	21	76
Providence	4			4
Scituate	1	1		2
Johnston			2	2
Cranston			2	2
Woonsocket		1		1
Pawtucket	3			3
Central Falls	1			1
Valley Falls	1			1
Cumberland	1			1
Manville	1		1	2
Smithfield	1			1
Total.	66	4	26	96

Terms	Residents.	Non-Res.	Total
Free	53	13	66
Whatever Com'l may and are certain	2	2	4
8 for term.	1		1
10 " "	1	1	2
15 " "	4	2	6
20 " "	2		2
25 " "	4		4
35 " "	1		1
3 per month		1	1
5 " "	6		6
10 " "	1		1
15	1		1
Total	76	20	96

Matrons Figures.

Patients	Non Paid.	Amt.
Private	16	$ 769.97	$ 48.12
Pub. - Paying	15	169.25	11.28
Pub. - Free	76		
Total.	107	$ 939.22	

RIDOH 0387



Infants for Admission Book, May 5, 1897 to April 30, 1898.

Residence.	Free.	Return	Paying	Total.
Providence	7	2	42	51
East Providence			1	1
Arlington			1	1
Johnston			1	1
Centredale			1	1
Bristol			1	1
Pawtucket			1	1
Pawtucket	1			1
Pawtucket			1	1
Valley Falls	1		1	2
Cranston			1	1
Albion			1	1
Woonsocket			1	1
Olneyville			1	1
North Attleboro			1	1
Dudley			1	1
Braintree			1	1
Total	9	2	57	68

Tickets.	Residents.	Non-Res.
Free	7	2
None stated	4	
1.00 per week	2	3
1.50 " "	10	3
2.00 " "	11	3
2.50 " "	1	1
3.00 " "	16	4
4.00 " "	1	
5.00 " "		1
10.00 in all	1	
Total	51	17

Paying Infants	57	on book
All "	68	

RIDOH 0388

Amended and Restated Bylaws of Women & Infants Hospital of Rhode Island

CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • WOMEN & INFANTS HOSPITAL
VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

TABLE OF CONTENTS

Purposes, Powers and Offices 1

Purposes 1

Powers 2

Offices 2

Members 2

Classes, Number and Voting of Members 2

Election and Term of Individual Members 3

Resignation of Individual Members 3

Removal of Individual Members 3

Member Meeting 3

Place of Meetings-Members 4

Notice for Meetings-Members 4

Waiver of Notice-Members 4

Quorum-Members 4

Action at Meetings-Members 5

Written Consents-Corporate Member 5

Proxies-Members 5

Board of Directors 5

Authority of the Board 5

Number of Directors 6

Meetings of the Board 6

Places of Meeting-Board 6

Notice for Meetings-Board 6

Waiver of Notice-Board 7

Quorum-Board 7

Action at Meetings-Board 7

Participation by Telephone-Board 8

Written Consent-Board 8

Reimbursement of Expenses-Board 8

Committees 8

Committees 8

Term and Election-Committee Members 9

Resignation, Removal and Vacancy-Committee Members 9

Meetings-Committees 9
Waiver of Notice-Committees 10
Quorum-Committees 10
Action at Meetings; Written Consent-Committees 10
Participation by Telephone-Committees 11
Quality Committee 11
Reimbursement of Expenses--Committee Members 11
Officers 11
Officers 11
Election and Term-Officers 12
Resignation-Officers 12
Removal-Officers 12
Vacancy-Officers 12
Authority and Duties-Officers 12
Medical Staff; Medical Staff Bylaws 13
Organization and Duties of the Medical Staff 13
Medical Staff Association Bylaws 13
Fiscal Year; Annual Reports 14
Fiscal Year 14
Annual Reports 14
Execution of Documents 15
Execution of Documents 15
Limitation of Liability 15
Limitation of Liability 15
Indemnification 15
Agreement of the Corporation 15
Definitions 16
Advance Payment of Expenses 16
Exclusions 17
Notice to the Corporation; Insurance 17
Indemnification 18
Settlement 19
Rights Not Exclusive 19
Enforcement 19
Severability 20

Successors and Assigns 20
Amendment of this Article 10 20
Non-Profit Status; Relationship to Care New England 20
Non-Profit Status 20
Relationship to Care New England 21
Amendments 21
Amendments 21

AMENDED AND RESTATED BYLAWS of WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

Article 1

Purposes, Powers and Offices

Section 1.1 **Purposes.** Women & Infants Hospital of Rhode Island (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) the creation, support, operation and maintenance of a hospital located in Providence, Rhode Island, whose primary role is to serve as the regional center for women's and infants' health care in Rhode Island and its environs by (i) providing programs on a direct or referral basis to serve the health care needs of women of all ages, and in particular, before, during, and after childbirth, and during the childbearing years, and providing skilled care for the fetus and neonate, so far as its resources permit, (ii) working in conjunction with other hospitals and health care agencies through coordination of programs on a community-wide basis to improve the standards of women's and infants' health care in the communities served by the Corporation, (iii) providing educational programs of the highest quality in conjunction with Brown University and other educational institutions and health care organizations, (iv) engaging in research related to women's and infants' health care alone or in conjunction with others; (b) to engage in other charitable, educational and scientific activities to the extent such activities support and benefit the charitable, educational and scientific activities of the Corporation; (c) to carry out the purposes set forth in the Charter of the Corporation (the "**Charter**"); 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"**).

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 furtherance of the purposes set forth in the Charter and these Amended and Restated Bylaws of the Corporation (the "**Bylaws**"). The power of the Corporation shall include, without limitation, the acceptance of contributions from both the public and private sectors, whether financial or in kind contributions.

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 of Directors of the Corporation (the "**Board**" or "**Board of Directors**").

Article 2

Members

Section 2.1 **Classes; Number and Voting of Members**.

(a) The Corporation shall have two classes of members: (a) the "**Corporate Member**" which shall be Women & Infants Corporation (or any successor to Women & Infants Corporation by reason of merger, consolidation, sale of all or substantially all of the assets of Women & Infants Corporation or otherwise); and (b) the "**Individual Members**" which shall consist of those individuals elected by the Members pursuant to Section 2.2. For purposes of these Amended and Restated Bylaws of the Corporation (the "**Bylaws**"), the "**Members**" shall mean the Corporate Member and the Individual Members, collectively.

(b) Each Member shall be entitled to one vote; provided, however that the Individual Members shall have only the right to vote for the election of Individual Members. The Corporate Member may vote by presenting a resolution (certified by the secretary of the Corporate Member) on any matter properly before any meeting of the Members or may vote through a person designated by the Corporate Member for such purpose.

RIDOH 0394

Section 2.2 **Election and Term of Individual Members**. At the annual meeting of the Members, or any special meeting called for the purpose of electing Individual Members, the Members shall elect, from those nominees recommended by the Governance and Nominating Committee of the Care New England Health System ("**Care New England**"), the sole member of the Corporate Member (the "**Governance and Nominating Committee**") (which Governance and Nominating Committee shall make such recommendations after consultation with the board of directors of Women & Infants Development Foundation and with due regard that the Individual Members demonstrate or are apt to demonstrate leadership in the communities served by the Corporation and who have evidenced an interest in the Corporation and the optimum fulfillment of the Corporation's purposes), that number of nominees to fill vacancies or new Individual Member positions; provided, however that the Governance and Nominating Committee shall nominate a maximum of thirty (30) new Individual Members (except that the Board may approve nomination by the Governance and Nominating Committee of a greater number of Individual Members). The Governance and Nominating Committee shall deliver the nominee recommendations to the Secretary of the Corporation (the "**Secretary**") not less than fourteen (14) days prior to the annual meeting of the Members or special meeting called for the purpose of electing Individual Members. Each Individual Member shall serve until he or she resigns or is removed pursuant to Section 2.3 or Section 2.4, respectively.

Section 2.3 **Resignation of Individual Members**. Any Individual 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. The resignation of any such Individual 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.

Section 2.4 **Removal of Individual Members**. Any Individual Member may be removed with or without cause by a majority vote of the Board.

Section 2.5 **Member Meetings**. An annual meeting of the Members shall be held on the second Tuesday in December in each year at such time and place as may be determined by the Board of Directors. A special meeting of the Members shall be called by the Secretary (or

other person as directed by the Board of Directors) upon the request of the Chairperson, any three (3) members of the Board of Directors, the Corporate Member or at least eleven (11) of the Individual Members and the business transacted at any special meeting of the Members shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 2.6 **Place of Meetings – Members**. All annual and special meetings of the Members 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 written notice for such annual or special meeting.

Section 2.7 **Notice for Meetings – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of the annual meeting and any special meeting to each Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to each member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special 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 2.8 **Waiver of Notice – Members**. A 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 Member at a meeting shall constitute waiver of notice of that meeting, except where such attending Member (a) objects at the beginning of such meeting to the transaction of business because the meeting is not lawfully called or convened; or (b) objects before a vote on an item of business because the item of business may not be lawfully considered at such meeting and does not participate in consideration of such item of business at the meeting.

Section 2.9 **Quorum – Members**. A quorum shall exist at a meeting of the Members to elect Individual Members if the Corporate Member (through its duly authorized

RIDOH 0396

representative) and at least eleven (11) Individual Members are present (in person or by proxy). At any other meeting of the Members, a quorum shall exist if the Corporate Member (through its duly authorized representative) is present. In the absence of a quorum at any meeting of the Members, the Members entitled to vote present in person or by proxy at such meeting shall have the power to adjourn the meeting to another place, day and hour with notice given to the Members in the same manner as a special meeting.

Section 2.10 **Action at Meetings – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the affirmative vote the Corporate Member (through its authorized designee) and a majority of the Individual Members present in person or by proxy at a meeting at which a quorum is present shall be required to elect Individual Members. All other actions require the affirmative vote of the Corporate Member (through its authorized designee).

Section 2.11 **Written Consents – Corporate Member**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Corporate Member may take action without a meeting in a written consent setting forth the action and signed by the Corporate Member; which written consent(s) shall be placed in the records of the Corporation.

Section 2.12 **Proxies – Members**. Except as otherwise expressly required by law, the Charter or these Bylaws, the Members vote either in person, by proxy or by consent vote. No proxy which is dated more than six (6) months before the meeting shall be accepted and no proxy shall be filed after final adjournment of a meeting. Proxies shall be delivered to the Secretary and placed in the records of the Corporation.

Article 3

Board of Directors

Section 3.1 **Authority of the Board**. Except as otherwise expressly required by law, the Charter 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.

RIDOH 0397

Section 3.2 **Number of Directors**. The directors of the Board (each a "**Director**") shall be those individuals then-serving as directors of the board of directors of Care New England.

Section 3.3 **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 following, the annual meeting of the board of directors of Care New England held in 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 may be called by any two (2) Directors, by the Chairperson, by a Vice-Chairperson or by the President and Chief Executive Officer.

Section 3.4 **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 3.5 **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 Charter or these Bylaws, the Chairperson, Vice-Chairperson, or President and Chief Executive Officer (or other person as directed by one of the foregoing individuals) 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

RIDOH 0398

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 3.6 **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 3.7 **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 3.8 **Action at Meetings – Board**. Except as otherwise expressly required by law, the Charter 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 controlled affiliate of the Corporation;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any controlled affiliate of the Corporation of another provider or system of providers;

(c) any material change in the mission of the Corporation or any controlled affiliate of the Corporation; or

(d) any change in the provisions of this Section 3.8 or similar provision in the bylaws of any controlled affiliate of the Corporation.

RIDOH 0399

The actions set forth above that involve the Corporation are also subject to the approval of the board of directors of Care New England.

Section 3.9 **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 Care New England 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 3.10 **Written Consents – Board**. Except as otherwise expressly required by law, the Charter 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 3.11 **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 3.11 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 a Quality Committee. The Board of Directors may designate such other committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such other committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Corporation), shall be subject to the Care New England's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of

directors of Care New England. 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**. For the Quality Committee and any other committee designated by the Board, the Board shall elect individuals to serve on such committees from those nominees recommended by the Governance and Nominating Committee. Those committee members serving on the Quality Committee shall serve for a term of one (1) year and may not serve on the Quality Committee for more than three (3) consecutive one (1) year terms. Unless otherwise determined by the Board, the term of each committee member of any other committee designated by the Board 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**. 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.

Section 4.7 **Action at Meetings; Written Consent – 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 **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 one (1) or more 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 4.10 **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 4.10 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, 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 from those nominees recommended by the Governance and Nominating Committee 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 Members and 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. The President and Chief Executive Officer shall have the necessary authority

RIDOH 0404

and shall be held responsible for the administration of the Corporation in all of its activities and departments, subject to the Articles of Incorporation, these Bylaws and such policies as may be adopted and such orders as may be issued by the Board or any of its committees to which it has delegated power for such action. Notwithstanding any provision to the contrary, the President and Chief Executive Officer shall serve at the pleasure of the President and Chief Executive Officer of the Corporate Member, and any action with respect thereto shall be taken after consultation with the board of directors of the Corporate Member.

(c) Each officer (other than the Chairperson and the President and Chief Executive Officer) 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

Medical Staff; Medical Staff Bylaws

Section 6.1 **Organization and Duties of the Medical Staff**. The Board shall organize the physicians and appropriate other persons granted practice privileges at Women & Infants Hospital of Rhode Island ("**WIH**") into a self-governing medical staff (the "**Medical Staff**"). The Board shall delegate to the Medical Staff the responsibility and authority to oversee the quality of care, treatment and services provided by practitioners with clinical privileges; which responsibility and authority includes investigation of matters relating to the selection and appointment to the Medical Staff, granting of clinical privileges and any corrective action and submitting to the Board (or any committee delegated with such authority by the Board) recommendations on the foregoing with such supporting documentation as will enable the Board (or any committee delegated with such authority by the Board) to take action thereon.

Section 6.2 **Medical Staff Association Bylaws**. The Medical Staff shall organize, adopt and maintain medical staff association bylaws (the "**Medical Staff Bylaws**"), consistent with these Bylaws, WIH rules and regulations and applicable law, for the governance of the Medical Staff; which Medical Staff Bylaws shall include at least the following:

(a) Methods of selection, election or appointment of all officers and other executive committee members and officers;

RIDOH 0405

(b) Provisions for selection and appointment of officers of departments or services specifying required qualifications;

(c) The type, purpose, composition and organization of standing committees;

(d) Frequency and requirements for attendance at Medical Staff departmental meetings;

(e) An appeal mechanism for denial of Medical Staff appointments, reappointments and privileges;

(f) Delineation of clinical privileges of non-physician practitioners;

(g) Designation of personnel qualified to prescribe or administer drugs;

(h) Requirements regarding medical records;

(i) A mechanism for utilization and medical care review;

(j) Provisions for a program permitting selected individuals other than physicians or other licensed, registered or certified personnel to perform extended, defined patient care functions; and

(k) Such other provisions as shall be required by WIH or governmental rules and regulations.

Any recommendations of the Medical Staff to amend, or amend and restate, the Medical Staff Bylaws shall be subject to approval by the Board. When adopted, the Medical Staff Bylaws shall be considered a part of the rules and regulations of WIH.

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

RIDOH 0406

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

RIDOH 0407

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

RIDOH 0408

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

RIDOH 0410

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

Non-Profit Status; Relationship to Care New England

Section 11.1 **Non-Profit Status**. 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, trustees, 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 the Charter and these Bylaws. In the event of any liquidation or dissolution of the Corporation, no 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 Board of Directors, after the payment of all its debts and obligations, shall distribute all of the assets of the Corporation in such manner, and to such organization(s) organized and operated for charitable, scientific and educational purposes as shall

at the time qualify as an exempt organization(s) under the Code, or to such cities, towns and subdivisions thereof, as the Board shall determine.

Section 11.2 **Relationship to Care New England**. In 1992, the Corporation restructured itself and created a parent holding company, Women & Infants Corporation, the Corporate Member. The Corporation and the Corporate Member functioned autonomously until 1996, when they combined with Kent County Memorial Hospital and Butler Hospital to form Care New England, a non-profit holding company of which the Corporate Member and the three (3) hospitals are controlled affiliates. While each hospital within the Care New England system continues to be governed by its governing board in accordance with its corporate mission, Care New England is the sole member of the Corporate Member and the individuals serving as the directors of the Corporate Member are those individuals then-serving as the directors of the Care New England board of directors. Further, the approval of Care New England is required for significant corporate and strategic actions on the part of the Corporation.

Article 12

Amendments

Section 12.1 **Amendments**. These Bylaws may be amended or amended and restated by written consent or approval by the Board in accordance with Section 3.8 or Section 3.10, as applicable and the approval of Care New England.

Adopted on June 28, 2012

RIDOH 0413

DRAFT

AMENDED AND RESTATED
BYLAWS
OF
CARE NEW ENGLAND HEALTH SYSTEM

TABLE OF CONTENTS

Purposes, Powers and Offices 1
Purposes 1
Powers 2
Offices 3
Members 3
Members 3
Board of Directors 3
Authority of the Board 3
Number of Directors 3
Directors Emeritus 4
Election and Term of Directors 4
Resignation of Elected Directors 5
Removal of Elected Directors 6
Vacancy-Elected Directors 6
Meetings of the Board 6
Places of Meeting-Board 6
Notice for Meetings-Board 6
Waiver of Notice-Board 7
Quorum-Board 7
Action at Meetings-Board 7
Participation by Telephone-Board 8
Written Consent-Board 8
Reimbursement of Expenses-Board 8
Committees 8
Committees 8
Term and Election-Committee Members 9
Resignation, Removal and Vacancy-Committee Members 9
Meetings-Committees 10
Waiver of Notice-Committees 10
Quorum-Committees 11
Action at Meetings; Written Consents-Committees 11
Participation by Telephone-Committees 11
Executive Committee 11

Finance Committee 12
Planning Committee 12
Governance and Nominating Committee 12
Audit & Compliance Committee 12
Compensation Committee 13
Investment Committee 13
Quality Committee 13
Reimbursement of Expenses-Committee Members 13
Officers 14
Officers 14
Election and Term-Officers 14
Resignation-Officers 14
Removal-Officers 14
Vacancy-Officers 14
Authority and Duties-Officers 14
Seal 15
Seal 15
Fiscal Year; Annual Reports 15
Fiscal Year 15
Annual Reports 15
Execution of Documents 16
Execution of Documents 16
Limitation of Liability 16
Limitation of Liability 16
Indemnification 16
Agreement of the Corporation 16
Definitions 17
Advance Payment of Expenses 17
Exclusions 18
Notice to the Corporation; Insurance 18
Indemnification 19
Settlement 20
Rights Not Exclusive 20
Enforcement 20
Severability 21

Successors and Assigns 21
Amendment of this Article 10 21
Amendments 21
Amendments 21

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**"), The Memorial Hospital d/b/a Memorial Hospital of Rhode Island ("MHRI"), 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**"), Southeastern Healthcare System, Inc. ("SHS"), MHRI, 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~~seventeen (17) 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 and MHRI, 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.

~~(a)~~(b) In accordance with the Affiliation Agreement dated January 2, 2013, among the Corporation, SHS and MHRI (the "**Affiliation Agreement**") three Elected Directors

were nominated by MHRI and appointed by CNE effective on the closing date (the "**Closing Date**") of the transactions contemplated by the Affiliation Agreement (the "**MHRI-Nominated Directors**").

~~(b)~~(c) 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. The MHRI-Nominated Directors shall serve on the Board from the Closing Date until the first annual meeting of the Board of Directors occurring after the third anniversary of the Closing Date.

(b) At the 2014 annual meeting of the Board, ~~the~~those individuals elected as Elected Directors in 2011 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~~Those 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.

(d) Following the expiration of the initial terms of the MHRI-Nominated Directors, any Directors elected to fill such vacancies shall have their terms staggered in the same manner as provided in Section 3.4(b) and (c).

~~(c)~~(e) 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)~~(f) 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 or MHRI, 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 or MHRI 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~~,~~ and subject to the limitations in this Section 3.7 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. In the event that a MHRI-Nominated Director dies, resigns or is removed (in accordance with Section 3.5 or Section 3.6, respectively) during their initial term, such vacancy shall be filled by an individual who served on the MHRI Board of Trustees prior to the Closing Date. 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, VNA and ~~VNA~~SHS/MHRI 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; provided, however that prior to the third anniversary of the Closing Date, the affirmative vote of two-thirds (2/3rds) of the MIHRI-Nominated Directors shall be required to approve any proposed amendment to Section 3.2, Section 3.4, Section 3.7 and/or Section 4.11 that relate to the amendments made to these Bylaws in accordance with the Affiliation Agreement.

Adopted on ~~June 28, 2012~~ , 2013

DRAFT

Adopted November 28, 2007
Revised November 11, 2009
Revised [Insert Closing Date]

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. (the "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 of the Corporation (the "Board" or 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.~~

MEMBER

Section 2.01. Member. Care New England Health System (or any successor to Care New England Health System by reason of merger, consolidation, sale of all or substantially all of the assets of Care New England Health System or otherwise) is the sole member of the Corporation (the "Member").

Section 2.02. Member Meetings. An annual meeting of the Member shall be held during December in each year on such date and at such time and place as may be determined by the Member; which annual meeting may occur simultaneous with, or directly following the annual meeting of the board of directors of the Member held in December. A special meeting of the Member shall be called by the Secretary of the Corporation (the "Secretary") (or other person as directed by the Board of Directors) upon the request of the Chairperson of the Corporation (the "Chairperson") or the Member and the business transacted at any special meeting of the

Members shall be limited to the purpose or purposes stated in the written notice of such special meeting.

Section 2.03. Place of Meetings – Member. All annual and special meetings of the Member 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 written notice for such annual or special meeting.

Section 2.04. Notice for Meetings Member. 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 the annual meeting and any special meeting to the Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered by mailing, overnight delivery, electronically mailing or telephoning the same to Member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.

Section 2.05. Action at Meetings – Member. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the affirmative vote of the Member (through its authorized designee) shall be required to take action on any question brought at a meeting of the Member.

Section 2.06. Written Consents Member. Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, the Member may take action without a meeting in a written consent setting forth the action and signed by the Member; which written consent(s) shall be placed in the records of the Corporation.

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 3.01. General Powers. 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 3.02. Number. The directors of the Board (each a "Director") shall be those individuals then-serving as directors of the board of directors of the Member.

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~~An 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~~during December in each year ~~for the purpose of electing directors and officers and for the transaction of~~ on such ~~other business~~ date and at such time and place as may ~~come before the meeting without notice other than~~be determined by ~~this Section 3.06. The~~ the Board of Directors ~~may provide by resolution~~; which annual meeting may occur simultaneous with, or following, the annual meeting of the board of directors of the ~~time and place for~~Member held in December. Unless the ~~holding of additional~~

Board otherwise determines, there shall be regular monthly meetings ~~without notice other than such resolution.~~

of the Board; which regular~~Section 3.07. Special Meetings.~~ Special meetings ~~of~~ shall be held at such time and such place as may be determined by the Board of Directors~~ may be~~. A special meeting of the Board of Directors shall be called by the Secretary (or ~~a~~other person as directed by the Board of Directors) upon the request of ~~the President or any one director. The person or persons authorized to call~~ any two (2) Directors, the Chairperson, a Vice-Chairperson or the President and Chief Executive Officer. All annual, regular and special meetings of the Board ~~of Directors may fix the manner and the~~ shall be held at such place ~~for holding any special~~, 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 ~~of the Board of Directors called by them~~.

Section ~~3.08~~04. Joint Meetings. ~~Except for the annual meeting, all~~All meetings of the Board ~~of Directors of the Corporation~~ or any committee thereof are deemed to be joint meetings of the ~~Corporation~~ Board or such committee and the ~~Board~~board of ~~Trustees~~directors of ~~The Memorial Hospital~~the Member or its comparable ~~committee~~committees, unless otherwise specified in the notice.

Section 3.05. ~~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~~. ~~Notice.~~ The schedule (including dates, place and hour) of the regular monthly meetings of the Board for each year shall be delivered to each Director in advance of the first regular meeting for such year; provided, however, that for the 2013 calendar year, those (3) individuals appointed to the board of directors of the Member who are nominated by The Memorial Hospital d/b/a Memorial Hospital of Rhode Island ("MHRI"), the sole member of which is the Corporation, and reviewed and approved by the Member and that individual serving as an *ex-officio* voting member of the board of directors of the Member by virtue of his or her position as the President of the MHRI Medical Staff shall be provided a schedule (including dates, place and hour) of the regular monthly meetings in advance of the first regular monthly meeting after the closing date as defined in the Affiliation Agreement among the Member, the Corporation and MHRI dated as of January 2, 2013. 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, sent via electronic mail or a message is left by telephone.

Section 3.06. Quorum. 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 ~~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, 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 3.07. Manner of Acting. ~~or any committee by means of a conference telephone~~ 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 controlled affiliate of the Corporation;

(b) merger with or acquisition of the Corporation by another entity, or material acquisition by the Corporation or any controlled affiliate of the Corporation of another provider or system of providers;

(c) any material change in the mission of the Corporation or any controlled affiliate of the Corporation; or

(d) any change in the provisions of this Section 3.07 or similar provision in the bylaws of any controlled affiliate of the Corporation.

The actions set forth above that involve the Corporation are also subject to the approval of the board of directors of the Member.

Section 3.08. Presence Through Communications Equipment. 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 the Member 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~~, including video conference, by means of~~ pursuant to which all ~~persons~~Directors participating in ~~the~~such meeting ~~can communicate with~~may simultaneously hear each other ~~at the same~~ time and such participation ~~by such means~~ shall ~~constitute presence~~ be deemed participation "in person ~~at the meeting.~~."

~~Section 3.13.~~ Section 3.09. Action by Written Consent. ~~Any~~Except as otherwise expressly required by law, the Articles of Incorporation or these Bylaws, 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.~~are requested from and signed by all of 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. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors.

Section 3.10. Compensation. ~~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~~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 shall not preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

~~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

COMMITTEES

Section 4.01. Committees. The Board of Directors may designate committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Corporation), shall be subject to the Member's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Member. 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 of the Member (the "Governance and Nominating Committee") and approval by the Board.

Article V

OFFICERS

Section 45.01. ~~Number~~Officers. 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~~ those individuals then-serving as officers ~~and agents as may be deemed necessary by~~ of 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~~Member and such individuals 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~~serve 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~~ the same officer position for, and 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~~the same 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 accordanceand authorities 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 accordancerespect to, the Corporation as he or she serves for, or has with the provisions of respect to, the MemberArticle 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~~

Article VI

CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section ~~5~~6.01. 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~~6.02. 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~~6.03. 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~~6.04. 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~~VII

INDEMNIFICATION

Section 67.01. ~~Each person who was, is, or is threatened~~Agreement of the Corporation. In order 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~~induce the individual members (if any), Directors, officers and committee members of the Corporation~~, or who, while a director or an officer of the Corporation, is or was,~~ 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 7.02).

Section 7.02. Definitions. Capitalized terms used in this Article VII 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

RIDOH 0448

while serving at the request of the Corporation as a ~~director~~member of the governing body, 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~~limited liability company, partnership, joint venture, trust~~, or~~ other enterprise ~~or employee benefit plan.~~.

(b) "**Excluded Claim**" has the meaning set forth in Section 7.04.

(c) "**Expenses**" means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made against ~~any~~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 7.03. 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 7.04. 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.

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 7.05. Notice to the Corporation; Insurance. Promptly after receipt by an Indemnified Person of notice of the commencement of or the threat 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 or threat 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 or threat 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 7.05) resulting in a denial of coverage.

Section 7.06. 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 7.06(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 7.06(a)(i) or by a committee of the Board established in a manner described in Section 7.06(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 7.06(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 7.06(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 ~~such person and incurred by such person in any such capacity or arising out of such person's status as such~~him or her with respect to any Covered Act, whether or not the Corporation would have the power ~~or obligation~~ to indemnify such ~~person~~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 7.07. 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 7.08. Rights Not Exclusive. The rights provided in this Article ~~VI or~~VII will not be deemed exclusive of any other rights to which an Indemnified Person may be entitled under ~~the Act. 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 7.09. 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 7.06.

(b) In the event that any action is instituted 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 7.10. Severability. If any provision in this Article VII 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 VII 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 VII shall be enforceable in accordance with its terms.

Section 7.11. Successors and Assigns. The provisions of this Article VII 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 7.12. Amendment of Article VII. No amendment or termination of this Article VII 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 VIII

~~Article VII~~

GENERAL PROVISIONS

Section 78.01. Fiscal Year. The fiscal year of the Corporation shall be determined by the Board and in the absence of such determination will begin on the first day of October and end on the last day of September each year.

Section ~~7~~8.02. 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~~8.03. 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~~Articles of ~~incorporation~~Incorporation or under the provisions of the Act, a waiver thereof in writing signed by the person or persons entitled to such notice and provided to the Secretary, 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.

Section 8.04. Limitation of Liability. Pursuant to Section 7-6-9 of the 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 8.04 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 8.04 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 8.04 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 IX

~~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.~~

Section 9.01. Statement of General Policy on Conflict of Interest. All Directors and officers of the Corporation and all committee members shall be subject to the Member's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of the Member.

Article X

~~Article IX~~

AMENDMENTS

Section 910.01. ~~Except as provided herein, these~~Amendments. These Bylaws may be ~~altered,~~ amended or ~~repealed~~amended and ~~new bylaws may be adopted~~restated by ~~majority vote of~~written consent or approval by the Board ~~of Directors at any annual or special meeting of~~in accordance with Section 3.07 or Section 3.09, as applicable and the ~~Board of Directors called for such purpose~~approval of the Member.

194303_6

DRAFT

Filing Fee: $10.00

ID Number: 00009157

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is **Southeastern Healthcare System, Inc.**

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

Article FOURTH: Item 2: Intentionally deleted.

Form No. 201
Revised: 12/05

DRAFT

3. The amendment was adopted in the following manner:

(check one box only)

☐ The amendment was adopted at a meeting of the members held on _____, at which meeting 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.

☐ The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.

☐ 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 with respect thereto.

4. Date when amendment is to become effective _____
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date. _____

_____
Print Corporate Name

By _____

☐ President or ☐ Vice President (check one)

AND

By _____

☐ Secretary or ☐ Assistant Secretary (check one)

DRAFT

Adopted November 28, 2007
Revised November 11, 2009
Revised [Insert Closing Date]

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~~The Hospital shall have all the powers enumerated in the Rhode Island Nonprofit Corporation Act, as same may be amended from time to time (or the provisions of any succeeding law) (the "Act"); provided, however, that the Hospital shall exercise its powers only in furtherance of its legislative charter and these Bylaws~~, and subject to the powers of the Member set forth in Article II, Section 2.02~~. As further described in these Bylaws, all authority and governing force of the Hospital is vested in the Board of ~~Trustees~~Directors (the "Board~~") who in turn are appointed by the sole member~~" or "Board of ~~the Hospital (hereinafter referred to as the "Member~~Directors").

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.~~Southeastern Healthcare System, Inc. (or any successor to Southeastern Healthcare System, Inc. by reason of merger, consolidation, sale of all or substantially all of the assets of Southeastern Healthcare System, Inc. or otherwise) is the sole member of the Hospital (the "Member").

~~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~~MEMBER

Section 3.01. The Annual Meeting of the ~~Hospital. The~~Member. An annual meeting of the ~~Hospital ("the Annual Meeting of the Hospital")~~ Member shall be held ~~within the State of Rhode Island at a place determined by the Member,~~during December in each year 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~~ date and at such time and place ~~for the holding of additional regular meetings without notice other than such resolution~~as may be determined by the Board; which annual meeting may occur simultaneous with, or following the annual meeting of the board of directors of the Member held in December.

Section 3.02. Special Meetings. ~~Special meetings~~A special meeting of the ~~Hospital may~~Member shall be called ~~at any time by the Chairman, President, any three (3) or more Trustees~~by the Secretary of the Corporation ("Secretary") (or other person as directed by the Board) upon the request of the Chairperson 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~~Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the Secretary (or other person as directed by the Board of Directors) shall deliver written notice of any annual and any special meeting to the Member, which written notice shall state the place, day and hour of the meeting (and the purpose or purposes if a special meeting) and shall be delivered in person or by mailing, overnight delivery, electronically mailing or telephoning the same to Member's last address, electronic mail address or telephone number appearing on the records of the Corporation not less than (a) ten (10) nor more than sixty (60) days prior to the date of the annual meeting; or (b) forty-eight (48) hours prior to the date of the special meeting. Notice will be deemed delivered at the time when same is deposited in the United States mail, delivered to the delivery service, sent via electronic mail or a message is left by telephone.

Section 3.04. Action Without a Meeting. ~~Any action that may be taken~~Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the Member ~~at~~may take action with a ~~special~~ meeting ~~of the Hospital may be taken without a meeting if a consent or consents~~ in ~~writing,~~ a written consent setting forth the action ~~so to be taken, shall be~~ and signed ~~before or after such action~~ by the Member. ~~Such~~; which written consent ~~or consents~~(s) shall be ~~filed with~~ placed in the ~~minutes~~records of the ~~proceedings~~Hospital.

Section 3.05. Action at Meeting. Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, the affirmative vote of the Member (through its authorized designee) shall be required to take action on any question brought at a meeting of the Member.

Section 3.06. Place of Meetings. All annual and special meetings of the Member 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 written notice for such annual or special meeting.

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~~annual meeting of the ~~Hospital~~Member, 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~~expired at the 2004 Annual Meeting of the Corporators, and the term of office of the second class of Corporators ~~shall expire~~expired 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~~annual meeting of the ~~Hospital~~Member 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~~upon the ~~Chairman~~request of the Chairperson, for the purpose of receiving the reports of the ~~Chairman~~Chairperson, President~~,~~ and Chief Executive Officer, the Treasurer, the President of the Medical Staff, the President of the Auxiliary~~,~~ (if any), and the President of the Nurses' Alumni Organization~~,~~ (if any), 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~~The Chairperson 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~~DIRECTORS

~~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 5.01. Selection. The directors of the Board (each a "Director") shall be those individuals then-serving as directors of the board of directors of Care New England Health System, the sole member of the Member ("Care New England").

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~~Except as otherwise expressly required by law, the legislative charter of the Hospital or these Bylaws, the affairs of the Hospital shall be managed by the Board of Directors and the Board of Directors shall have, 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~~powers 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.~~Section 5.03. Meetings. 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 following, the annual meeting of the board of directors of Care New England held in 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 may be called by any two (2) Directors, by the Chairperson, by a Vice-Chairperson or by the President and Chief Executive Officer. 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 5.04. Notice. The schedule (including dates, place and hour) of the regular monthly meetings of the Board for each year shall be delivered to each Director in advance of the first regular meeting for such year; provided, however, that for the 2013 calendar year, those (3) individuals appointed to the board of directors of Care New England who are

nominated by the Hospital, and reviewed and approved by Care New England and that individual serving as an *ex-officio* voting member of the board of directors of Care New England by virtue of his or her position as the President of the Hospital's Medical Staff shall be provided a schedule (including dates, place and hour) of the regular monthly meetings in advance of the first regular monthly meeting after the closing date as defined in the Affiliation Agreement among Care New England, the Member and the Hospital dated as of January 2, 2013. Except as otherwise expressly required by law, the Hospital's legislative charter 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 Hospital 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, sent via electronic mail or a message is left by telephone.

Section 5.05. 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~~board of directors of the Member or its comparable committee, unless otherwise specified in the notice.

Section 5.~~10~~.06. Presence Through Communications Equipment. ~~Unless otherwise~~ To the extent a Director is unable to attend an annual, regular or special meeting in person and such Director has provided ~~by law, Trustees~~notice to the office of the President and Chief Executive Officer of Care New England of his or her circumstances, then such Director may participate in ~~a~~such annual, regular or special meeting ~~of the Board~~ by means of a conference telephone or other similar communications equipment~~, including video conferencing, by means of~~ pursuant to which all ~~persons~~Directors participating in ~~the~~such meeting ~~can communicate with~~may simultaneously hear each other ~~at the same time~~ and such participation ~~by such means~~ shall ~~constitute presence~~ be deemed participation "in person ~~at the meeting.~~"

Section 5.~~11~~.07. Action Without a Meeting. ~~Any~~Except as otherwise expressly required by law, the Hospital's legislative charter or these Bylaws, 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.~~are requested from and signed by all of 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. Such written consent or consents shall be filed with the minutes of the proceedings of the Board.

Section 5.08. Quorum. 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 5.09. Manner of Acting. Except as otherwise expressly required by law, the Hospital's legislative charter 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 Hospital or any controlled affiliate of the Hospital;

(b) merger with or acquisition of the Hospital by another entity, or material acquisition by the Hospital or any controlled affiliate of the Hospital of another provider or system of providers;

(c) any material change in the mission of the Hospital or any controlled affiliate of the Hospital; or

(d) any change in the provisions of this Section 5.09 or similar provision in the bylaws of any controlled affiliate of the Hospital.

The actions set forth above that involve the Hospital are also subject to the approval of the board of directors of Care New England.

ARTICLE VI

COMMITTEES

~~Section 5.12.~~ Section 6.01. Committees. The Board of Directors shall have a Quality Committee. The Board of Directors may designate such other committees to serve at its pleasure and to have such powers and perform such functions as the Board of Directors may assign to them. The resolution designating such other committees shall set forth the composition of each such committee and the functions to be performed by it. All committee members (along with the Directors and officers of the Hospital), shall be subject to the Care New England's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of Care New England. 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 of Care New England (the "Governance and Nominating Committee") and approval by the Board.

~~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.~~ ARTICLE VII

APPOINTMENTS, CONTRACTS, LOANS, CHECKS AND DEPOSITS

Section 7.01. 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.~~7.02. 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.~~7.03. 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 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.~~7.04. 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~~VIII

OFFICERS OF THE HOSPITAL

Section ~~6~~8.01. The Officers. The officers of the Hospital ~~(the "Officers")~~ shall be ~~the Chairman, not less than~~ a Chairperson, one (1) or more Vice-~~Chairman, the~~ Chairpersons, a President~~, the Treasurer, the Assistant Treasurer, the~~ and Chief Executive Officer, one (1) or more Vice Presidents, a Secretary, ~~the Assistant Secretaries~~a Treasurer, and such other ~~Officers~~ officers or assistant officers as may be ~~deemed desirable~~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. The officers ~~designated herein~~of the Hospital shall be elected ~~annually~~ by the Board at ~~its~~ the 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~~from those nominees recommended by the Governance and Nominating Committee 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 Hospital.

~~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~~ Section 8.02. Authority and Duties.

(a) The Chairperson shall preside at all meetings of the Member and of the Board and shall have such other ~~powers~~authorities and duties as ~~the Board may prescribe~~ are delegated from time to time by the Board.

~~Section 6.04. President.~~ (b) The President~~, who~~ and Chief Executive Officer shall be the ~~President of the Member, shall be the principal~~chief executive officer of the Hospital and, subject to the direction and ~~under the supervision~~ judgment of the Board, shall have general ~~charge of the business, affairs and property of the Hospital,~~ supervision and control ~~over its~~ of all officers, agents, and employees~~.~~ of the Hospital and the management of its business interests, including the appointment of the senior management group of the Hospital. 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~~Chief Executive Officer shall have the necessary authority and shall be held responsible for the administration of the Hospital in all of its activities and departments, 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~~Hospital's legislative charter, these Bylaws and such policies as may be adopted and ~~objectives.~~

~~Section 6.05. Treasurer.~~ ~~The Treasurer shall perform~~ such ~~duties~~orders as may be ~~from time~~issued by the Board or any of its committees to ~~time assigned~~which it has delegated power for such action. Notwithstanding any provision to the ~~Treasurer by the Chairman or~~ contrary, the ~~Board. The Treasurer~~President and Chief Executive Officer 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~~ at the pleasure of the President and Chief Executive Officer of the Care New England, and any action 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~~respect thereto shall be taken after consultation 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~~board of directors of Care New England.

~~Section 6.08. Assistant Secretaries. In~~(c) Each officer (other than the ~~event of~~ Chairperson and the ~~absence or disability of the Secretary, the Assistant Secretaries, in order of seniority,~~President and Chief Executive Officer) shall have the ~~powers~~authority and shall perform the duties ~~of the Secretary and~~ customarily appurtenant to their respective offices, and shall have such other ~~powers~~authorities and duties as ~~the Board may prescribe~~are delegated from time to time by the Board.

Section ~~6.09~~8.03. Removal. The ~~Member~~Board 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~~.8.04. Resignations. Any officer ~~or agent~~ may resign at any time by giving written notice to the Board of Directors ~~or to~~, the Chairperson, a Vice-Chairperson, the President and Chief Executive Officer 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~~.8.05. Vacancies. ~~A~~Subject to any term limit set forth in Section 8.01, any vacancy in ~~any office because of death, resignation, removal, disqualification or otherwise may~~an officer position shall be filled ~~in~~by the ~~manner prescribed in these Bylaws~~Board. An individual elected to fill a vacancy will serve for ~~election or appointment to such office~~the unexpired term of his or her predecessor.

ARTICLE IX

~~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~~9.01. 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~~9.02. 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~~Directors 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 X

~~ARTICLE IX~~

THE AUXILIARY

Section 910.01. There shall be an Auxiliary which shall adopt bylaws from time to time for the conduct of its own affairs. ~~These~~The Auxiliary 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 XI

~~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.~~

Section 11.01. Statement of General Policy on Conflict of Interest. All Directors and officers of the Hospital and all committee members shall be subject to Care New England's Conflicts of Interest and Confidentiality Policy, as may be amended from time to time by the board of directors of Care New England.

ARTICLE XII

~~ARTICLE XI~~

INDEMNIFICATION

Section 11.12.01. ~~Each person who was, is, or is threatened~~Agreement of the Hospital. In order to ~~be~~ induce the Corporators (if any), Directors, officers and committee members of the Hospital to serve as such (each an "Indemnified Person"), the Hospital 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 12.02).

Section 12.02. Definitions. Capitalized terms used in this Article XII 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 Hospital and while serving as such or while serving at the request of the Hospital 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 12.04.

(c) "**Expenses**" means any reasonable expenses incurred by an Indemnified Person in connection with the defense of any claim made ~~a named defendant or respondent in~~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 12.03. Advance Payment of Expenses. The Hospital 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 Hospital. The advance payment of Expenses will be subject to such Indemnified Person's first agreeing in writing with the Hospital 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 12.04. Exclusions. The following shall be considered "Excluded Claims" and the Hospital 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 Hospital (as distinguished from being liable to a third party) for:

(i) any breach of the Indemnified Person's duty of loyalty to the Hospital;

(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.

(b) If a final, non-appealable judgment or other adjudication by a court of competent jurisdiction determines that such payment is unlawful.

Section 12.05. Notice to the Hospital; Insurance. Promptly after receipt by an Indemnified Person of notice of the commencement of or the threat of commencement of any Proceeding, such Indemnified Person will, if indemnification with respect thereto may be sought from the Hospital under these Bylaws, notify the Hospital of the commencement or threat thereof. If, at the time of the receipt of such notice, the Hospital has any directors' and officers' liability insurance (or equivalent insurance or other protection known by another term) in effect, the Hospital will give prompt notice of the commencement or threat 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 Hospital 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 Hospital will not adversely affect the Indemnified Person's right to indemnification hereunder unless and only to the extent that (a) the Hospital is materially prejudiced in its ability to defend against the Proceeding 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~~ such failure; or (b) failure to promptly notify the Hospital causes a delay in notifying any applicable insurer (as described in this Section 12.05) resulting in a denial of coverage.

Section 12.06. Indemnification.

(a) Payments on account of the Hospital's indemnity against Loss will be made by the Treasurer of the Hospital 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 Hospital so determines that the Loss results from an Excluded Claim (although no such determination is required by the Hospital prior to payment of a Loss by the Treasurer of the Hospital), 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 12.06(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 ~~extent~~ 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 12.06(a)(i) or by a committee of the Board established in a manner described in Section 12.06(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 ~~under the Act. The indemnification~~ to be made by this Section 12.06(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 Hospital except if, in the specific case, a determination is made pursuant to Section 12.06(a) that indemnification of such Indemnified Person is not proper in the circumstances because the Proceeding involved an Excluded Claim.

(c) The Hospital 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 Hospital would have the power to indemnify such Indemnified Person against such liability under the provisions of these Bylaws. The Hospital will be subrogated to the rights of such Indemnified Person to the extent that the Hospital has made any payments to such Indemnified Person in request to any insured Loss or Expense as provided ~~by~~herein.

Section 12.07. Settlement. The Hospital will have no obligation to indemnify any Indemnified Person for any amounts paid in settlement of any Proceeding affected without the Hospital's prior written consent. The Hospital will not unreasonably withhold or delay its consent to any proposed settlement. If the Hospital 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 Hospital 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 Hospital, without prejudice to such Indemnified Person's rights to indemnification in the event the Hospital does not ultimately prevail on the issue of whether the Proceeding constitutes an Excluded Claim.

Section 12.08. Rights Not Exclusive. The rights provided in this Article ~~XI shall~~XII will not be deemed exclusive of any other rights to which ~~those persons seeking indemnification~~ an Indemnified Person may be entitled under any ~~bylaw,~~ agreement, vote of disinterested Directors or otherwise, ~~and shall continue~~ both as to action in the Indemnified Person's official capacity and as to action in any ~~person who~~other capacity while serving in such position, and will continue after such Indemnified Person ceases to serve the Hospital as an Indemnified Person.

Section 12.09. 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 ~~ceased to be a Trustee~~been made as provided in Section 12.06.

(b) In the event that any action is instituted 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 ~~an officer and~~ was frivolous.

Section 12.10. Severability. If any provision in this Article XII is determined by a court to require the Hospital to perform or fail to perform an act which is in violation of any applicable law, this Article XII 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 XII shall be enforceable in accordance with its terms.

Section 12.11. Successors and Assigns. The provisions of this Article XII will be (a) binding upon all successors and assigns of the Hospital (including any transferee of all or substantially all of its assets); and (b) binding on and 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.~~ and other personal representatives of an Indemnified Person.

Section 12.12. Amendment of Article XII. No amendment or termination of this Article XII 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 XIII

~~ARTICLE XII~~

GENERAL PROVISIONS

Section ~~12~~13.01. Fiscal Year. The fiscal year of the Hospital shall be determined by the Board and in the absence of such determination will begin on October 1 of each year and end on September 30 of the succeeding year.

Section ~~12~~13.02. 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~~13.03. 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~~Hospital's legislative charter or under the provisions of the Act, a waiver thereof in

writing signed by the person or persons entitled to such notice and provided to the Secretary, 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.

Section 13.04. Limitation of Liability. Pursuant to Section 7-6-9 of the Act, no individual serving without compensation as a Director, officer or committee member shall be personally liable to the Hospital or its members based solely on his or her conduct in the execution of the office or duties; provided, however that this Section 13.04 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 Hospital; and (c) any transaction from which there is an improper personal benefit. This Section 13.04 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 13.04 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 ~~XIII~~XIV

AMENDMENTS

Section ~~13~~14.01. These Bylaws may be amended ~~from time to time~~or amended and restated by ~~vote of the Member. Notice of any amendment proposed~~written consent or approval by the Board ~~shall be given to the Member~~ in ~~such form~~accordance with Section 5.07 or Section 5.09, as ~~the Board shall deem appropriate~~applicable, and the approval of Care New England.

185270_11/158-1

DRAFT

Filing Fee: $10.00

ID Number: 00028357

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
Office of the Secretary of State
Corporations Division
148 W. River Street
Providence, Rhode Island 02904-2615

NON-PROFIT CORPORATION

ARTICLES OF AMENDMENT TO ARTICLES OF INCORPORATION

Pursuant to the provisions of Section 7-6-40 of the General Laws of Rhode Island, 1956, as amended, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation:

1. The name of the corporation is **The Memorial Hospital**

2. The following amendment to the Articles of Incorporation was adopted by the corporation:

[Insert Amendment]

Article FOURTH: Item 2: Intentionally deleted.

Article SIXTH: Southeastern Healthcare System, Inc. (or any successor to Southeastern Healthcare System, Inc. by reason of merger, consolidation, sale of all or substantially all of the assets of Southeastern Healthcare System, Inc. or otherwise) is the sole member of the Hospital (the "Member").

Form No. 201
Revised: 12/05

3. The amendment was adopted in the following manner:

(check one box only)

☐ The amendment was adopted at a meeting of the members held on _____, at which meeting 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.

☐ The amendment was adopted by a consent in writing on _____, signed by all members entitled to vote with respect thereto.

☐ 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 with respect thereto.

4. Date when amendment is to become effective _____
(not prior to, nor more than 30 days after, the filing of these Articles of Amendment)

Under penalty of perjury, we declare and affirm that we have examined these Articles of Amendment to the Articles of Incorporation, including any accompanying attachments, and that all statements contained herein are true and correct.

Date: _____

_____
Print Corporate Name

By _____

☐ President or ☐ Vice President (check one)

AND

By _____

☐ Secretary or ☐ Assistant Secretary (check one)

EXHIBIT 3 Table of Contents

Tab	Description	Bates Number
3-A	MHRI Parent, MHRI and Affiliates – Officers, Directors, Executives and Senior Managers – past 2 years	RIDOH 0480
3-B	CNE, Kent, Butler, WIH, VNA of CNE and Affiliates – Officers, Directors Executives and Senior Managers – past 2 years	RIDOH 0495

NAME	OCCUPATION	POSITION SHS, INC.	TENURE
SOUTHEASTERN HEALTHCARE SYSTEMS, INC.			
Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Healthcare Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare Administration	Former Vice President	Aug 1999 - Dec 2012
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Nov 1989 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Jan 2002 - Present

NAME	OCCUPATION	POSITION SHS, INC.	TENURE
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager	Trustee	Jan 2012 - Present
Ross, Thomas	Healthcare Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Real Estate Firm Managing Partner	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

RIDOH 0481

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

NAME	OCCUPATION	POSITION MHRI	TENURE
MEMORIAL HOSPITAL OF RHODE ISLAND			
Ackerman, Robert	Information Technology	Vice President	Aug 2010 - Present
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
Cylke, Deborah	Superintendent of Schools	Trustee	Jan 2012 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Dietz, Francis R.	Retired	Consultant/Former President/CEO	Jan 1964 - Sep 2011
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Girard, Elizabeth	Retired	Former Senior Vice President	Mar 1970 - Nov 2011
Gough, Thomas	Healthcare Administration	Senior Vice President	Oct 2001 - Present
Hahn, James H.	Attorney	Former Trustee	Jan 2010 - Jun 2012
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Kessel, Marie	Healthcare Administration	Former Vice President	Aug 1999 - Dec 2012
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Nov 1989 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Jan 2002 - Present

NAME	OCCUPATION	POSITION MHRI	TENURE
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Partridge, John J.	Attorney	Trustee	Jan 1985 - Present
Poulin, Edna S.	Retired	Trustee	Jan 1985 - Present
Pratt, Lisa	Human Resources	Vice President	Jan 2006 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Rojas, Augusto Jr.	Sales Manager	Trustee	Jan 2012 - Present
Ross, Thomas	Healthcare Administration	Vice President	Apr 1973 - Present
Ryan, Michael	Financial Management	Senior Vice President	Jun 1989 - Present
Schmitt, Irene	Real Estate Firm Managing Partner	Trustee	Jan 2012 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present
Tursky, Martin E.	Healthcare Administration	Former President/CEO	Jan 2010 - Jun 2012
Van Tilburg, Judith	Healthcare Administration	Vice President	Jun 2008 - Present

RIDOH 0484

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

NAME	OCCUPATION	POSITION PCCNE	TENURE
PRIMARY CARE CENTER OF NEW ENGLAND			
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present

RIDOH 0486

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

NAME	OCCUPATION	POSITION BHI	TENURE
BLACKSTONE HEALTH, INC.			
Barzykowski, Kamila	Non-Profit Administration	Vice Chair	Dec 2004 - Present
Briden, James, Esq.	Attorney	Secretary	Dec 2004 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Girard, Elizabeth	Retired	Assistant Secretary	Dec 2004 - Present
MacDonald-Gallagher, Michelle	Healthcare Administration	Senior Vice President	Dec 2004 - Present
Meiklejohn, Malcolm	Retired	Trustee	Feb 2010 - Present
Mooney, F. Paul Jr.	Manufacturing Company VP	Trustee	Oct 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Chairman of the Board	Jan 2012 - Present

RIDOH 0488

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

NAME	OCCUPATION	POSITION SHS VENTURES	TENURE
SHS Ventures, Inc.			
Andrade, Robert P.	Bank COO	Chairman of the Board	Jan 1998 - Present
DeBlois, Arthur J. III	Healthcare Administration	Interim President/CEO	May 2012 - Present
Degen, Alfred P.	Retired	Trustee	Jan 1996 - Present
Furtado, Gary	Bank CEO	Trustee	Jan 1992 - Present
Hunt, William J.	Insurance Agency President	Trustee	Jan 1986 - Present
Kapos, William M.	Coffee Company President	Treasurer	Jan 1999 - Present
Murray, Patrick J. Jr.	Bank CEO	Assistant Treasurer	Jan 2008 - Present
Roberts, Virginia C.	Bank Sr. Vice President	Vice Chair of the Board	Jan 1995 - Present
Scown, Gregory	Retired	Secretary	Jan 2009 - Present
Sherry, Karl F.	Real Estate Firm Partner	Assistant Secretary; Chairman, BHI	Jan 2006 - Present

RIDOH 0490

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

MHRI Ancillary Services, LLC has no officers, directors, executives or managers but rather is a member-managed limited liability company under Rhode Island law, the sole member of which is MHRI.

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

NAME	OCCUPATION	POSITION MHRIP INC	TENURE
Memorial Hospital of Rhode Island Physicians, Inc.			
Al-Raqquad, Ahmad	Physician	Board Member	2011 - Present
Burroughs, Robert	Physician	Medical Director	1995 - Present
DeBlois, Arthur J., III	Healthcare Administration (Interim CEO)	Board Member	2012 - Present
Glod, Douglas	Physician	Board Member	2010 - Present
Gough, Thomas	Healthcare Administration (Sr. VP)	Vice President	2001 - Present
Ladetto, John	Physician	Secretary	2003 - Present
Mansourati, Fadi	Physician	Board Member	2010 - Present
Papazian, Martin	Physician	President	1996 - Present
Rubeor, Amity	Physician	Board Member	2011 - Present
Ryan, Michael	Financial Management (SVP)	Treasurer	1991 - Present
Schiff, Stephen	Physician	Board Member	2007 - Present
Wiley, Brian	Physician	Board Member	2009 - Present

RIDOH 0494

2012: Officers, Directors, Executives and Senior Managers of Butler Hospital Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Butler Hospital Foundation		
William J. Allen	Business Executive	2012 to present
Stanley M. Aronson, M.D.	Physician	2012 to present
Bonnie Baker	Health Care Finance Executive	2012 to present
Michele R. Berard	Health Care Executive	2012 to present
Earl D. Chambers	Retired Business Executive	2012 to present
Allen H. Cicchitelli	Real Estate Executive	2012 to present
Robert E. DeBlois	Retired Business Executive	2012 to present
Margaret D. Farrell	Attorney	2012 to present
Roberta B. Feather, Ed.D, J.D.	Attorney	2012 to present
Phyllis C. Field	Education and Community Affairs Rep.	2012 to present
Lisa B. Shea, M.D.	Physician	2012 to present
Dean T. Holt	Banking Executive	2012 to present
Michael Follick, Ph.D.	Physician	2012 to present
John F. Handfield	Business Executive	2012 to present
Dennis D. Keefe	Health Care Executive	2012 to present
Lewis P. Lipsitt	Physician	2012 to present
Michael Matone	Business Executive	2012 to present

RIDOH 0495

Butler Hospital Foundation (cont.)

Name	Occupation	Tenure
Patrcia Melaragno	Health Care Executive	2012 to present
Mary B. Olenn	Consultant	2012 to present
Arthur S. Robbins	Business Executive	2012 to present
Robert G. Padula	Insurance Executive	2012 to present
David A. Rogers	Business Executive	2012 to present
Lawrence H. Price, M.D.	Physician	2012 to present
Kekin A. Shah	Physician	2012 to present
Steven Rasmussen, M.D.	Physician	2012 to present
Jeffrey M. Sparr	Business Owner	2012 to present
Patricia R. Recupero, J.D., M.D.	Attorney, Physician	2012 to present
Gary St. Peter	Attorney	2012 to present
Charles R. Reppucci	Business Executive	2012 to present
Patricia S. Thompson	Business Executive	2012 to present

RIDOH 0496

2012 OFFICERS of Butler Hospital Foundation		
Allen H. Cicchitelli, President	Real Estate Executive	2012 to present
Michael Matone, Vice President	Business Executive	2012 to present
John F. Handfield, Secretary	Business Executive	2012 to present
Michele R. Berard, MBA, CFRE, Assistant Secretary	Health Care Executive	2012 to present
Patricia S. Thompson, Treasurer	Business Executive	2012 to present
Bonnie Baker, CPA, FHFMA, Assistant Treasurer	Health Care Finance Executive	2012 to present
2012 Executives and Senior Management of Butler Hospital Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Butler Hospital Foundation

Name			**Occupation**	**Tenure**
2011 DIRECTORS of Butler Hospital Foundation				
N/A (Butler Hospital Foundation was incorporated on December 5, 2011)				
2011 OFFICERS of Butler Hospital Foundation				
N/A (Butler Hospital Foundation was incorporated on December 5, 2011)				
2011 Executives and Senior Management of Butler Hospital Foundation				
N/A				

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Members, Executives and Senior Managers of Harbor Group Home, LLC

Name	Occupation	Tenure
2012 MEMBERS of Harbor Group Home, LLC		
Alan Doyle, Managing Member	Principal	2001 to 2012
2012 OFFICERS of Harbor Group Home, LLC		
N/A		
2012 Executives and Senior Management of Harbor Group Home, LLC		
N/A		

2011: Officers, Members, Executives and Senior Managers of Harbor Group Home, LLC

Name	Occupation	Tenure
2011 MEMBERS of Harbor Group Home, LLC		
Alan Doyle, Managing Member	Principal	2001 to 2012
2011 OFFICERS of Harbor Group Home, LLC		
N/A		
2011 Executives and Senior Management of Harbor Group Home, LLC		
N/A		

RIDOH 0499

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2011 AND 2012: Officers, Managers, Executives and Senior Managers of Quality Care Company, LLC

Name	Occupation	Tenure
2011 and 20112 MANAGERS of Quality Care Company, LLC		
Raymond A. Arsenault	Business Executive	Prior to 2011 to present
David S. Lauterbach	Business Executive	Prior to 2011 to present
Margaret Holland McDuff	Business Executive	Prior to 2011 to present
J. Clement Cicilline	Business Executive	Prior to 2011 to present
Walter Dias	Health Care Executive	Prior to 2011 to present
Carlene Casciano-McMann	Business Executive	Prior to 2011 to present
Eric James	Business Executive	Prior to 2011 to present
2011 and 2012 OFFICERS of Quality Care Company, LLC		
Margaret Holland McDuff	Treasurer	Prior to 2011 to present
2012 Executives and Senior Management of Quality Care Company, LLC		
N/A		

RIDOH 0501

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Women & Infants Corporation

Name	Occupation	Tenure
2012 DIRECTORS of Women & Infants Corporation		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Justice Robert Flanders, Jr., (Ret.)	Attorney	2011 to present
John Galvin	Business Executive	2011 to present
Kent Gladding	Banking Executive	2011 to present
Douglas Jacobs	Retired Banking Executive	2011 to present
Dennis Keefe	Health Care Executive	2011 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2012 to present
Joseph McGair, Esq.	Attorney	2011 to present
Robert Padula	Insurance Executive	2011 to present
Cynthia Patterson	Retired, Community Rep.	2011 to present
Charles Reppucci	Business Executive	2011 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2011 to present
George Shuster	Business Executive	2011 to present

RIDOH 0503

Name	Occupation	Tenure
Santina Siena, M.D.	Physician	2011 to present
Joseph Spinale, DO	Physician	2011 to 9.2012
Maribeth Williamson	Business Executive	2011 to present
2012 OFFICERS of Women & Infants Corporation		
George Shuster, Chairman	Business Executive	2011 to present
Charles Reppucci, Vice Chairman	Business Executive	2011 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2011 to present
Cynthia Patterson, Secretary	Retired, Community Rep.	2011 to present
Alyssa Boss, Assistant Secretary	Attorney	2012 to present
Constance Howes, President and CEO	Attorney and Health Care Executive	2002 to present
2012 Executives and Senior Management of Women & Infants Corporation		
Mark Marcantano	Business Executive	2010 to present

2011: Officers, Directors, Executives and Senior Managers of Women & Infants Corporation

Name	Occupation	Tenure
2011 DIRECTORS of Women & Infants Corporation		
Roger Begin	Banking Executive	2007-9.2011

RIDOH 0504

Name	Occupation	Tenure
Kathleen Cote Bowling, M.D.	Physician	Prior to formation of CNE to 2011
Lisa Churchville	Business Executive	1997 to 9.2011
Sharon Conard-Wells	Business Executive	2008-9.2011
Margaret Farrell	Attorney	Prior to formation of CNE to 9.2011
Justice Robert Flanders, Jr. (Ret.)	Attorney	1997 to 9.2011
John Galvin	Business Executive	2009 to 9.2011
William Hatfield	Banking Executive	2000 to 9.2011
Constance Howes	Attorney and Health Care Executive	Prior to formation of CNE to present
2011 OFFICERS of Women & Infants Corporation		
Constance Howes, President	Attorney and Health Care Executive	2002 to present
Douglas Jacobs, Vice Chair	Retired Banking Executive	2009 to 2011
Justice Robert Flanders, Jr. (Ret.),Vice Chair	Attorney	2003 to 2011
Katherine McKenzie, Vice Chair	Retired HR Executive	2006 to 2011
John Galvin, Treasurer	Business Executive	2010 to 2011
Roger Begin, Secretary	Banking Executive	2009 to 2011
2011 Executives and Senior Management of Women & Infants Corporation		
Mark Marcantano	Business Executive	2010 to present

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Women & Infants Development Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Women & Infants Development Foundation		
Joan Abrams	Higher Education Professor	2006 to present
Alden Anderson, Jr.	Real Estate Executive	2004 to present
Keith Bilezerian	Attorney	2010 to present
Heather Campbell	Property Management Executive	2009 to present
Richard McAuliffe, Jr.	Lobbyist	2006 to present
Linda McGoldrick	Health Care Executive	2009 to present
Judith Remondi	Marketing Executive	2006 to present
Michelle Renaud	Business Manager	2004 to present
Kathleen Ryan	Attorney	2009 to present
Therese Stafford	Public Administrator	2008 to present
Geraldine Verrecchia	Community Volunteer	2009 to present
2012 OFFICERS of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present

RIDOH 0507

Name	Occupation	Tenure
Constance Howes	Attorney, Health Care Executive, President/CEO Women& Infants Hospital	2002 to present
2012 Executives and Senior Management of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women& Infants Hospital	2002 to present

2011: Officers, Directors, Executives and Senior Managers of Women & Infants Development Foundation

Name	Occupation	Tenure
2011 DIRECTORS of Women & Infants Development Foundation		
Joan Abrams	Higher Education Professor	2006 to present
Alden Anderson, Jr.	Real Estate Executive	2004 to present
Roger Begin	Financial Executive	2006 to present
Keith Bilezerian	Attorney	2010 to present

RIDOH 0508

Women & Infants Development Foundation (cont.)

Name	Occupation	Tenure
Heather Campbell	Property Management Executive	2009 to present
Richard McAuliffe, Jr.	Lobbyist	2006 to present
Linda McGoldrick	Health Care Executive	2009 to present
Judith Remondi	Marketing Executive	2006 to present
Michelle Renaud	Business Manager	2004 to present
Kathleen Ryan	Attorney	2009 to present
Therese Stafford	Public Administrator	2008 to present
Geraldine Verrecchia	Community Volunteer	2009 to present
Maureen Phipps, M.D.	Physician	2011 to present
John M. Sutherland, III	Financial Health Care Executive	2011 to present
2011 OFFICERS of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women& Infants Hospital	2002 to present

RIDOH 0509

Women & Infants Development Foundation (cont.)

Name	Occupation	Tenure
2011 Executives and Senior Management of Women & Infants Development Foundation		
Karen Davie, President	Health Care/Philanthropy Executive	2004 to present
John M. Sutherland, III	Health Care Finance Executive	2011 to present
Constance Howes	Attorney, Health Care Executive, President/CEO Women& Infants Hospital	2002 to present

RIDOH 0510

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of W&I Indemnity, Ltd.

Name	Occupation	Tenure
2012 DIRECTORS of W&I Indemnity, Ltd.		
Lisa Boyle, M.D.	Physician	2011 to 2013
David Carcieri, M.D.	Physician	2010 to 2013
Jane Dennison, M.D.	Physician	2007 to 2013
Stephen Falkenberry, M.D.	Physician	2012 to 2013
Elizabeth Gamble	Physician	2010 to 2013
Hanna, Cynthia	Physician	2012 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
Lawrence, Dwayne, M.D.	Physician	2006 to 2013
Mark Marcantano	Health Care Executive	2010 to 2013
John Nisbet, II, M.D.	Physician	2012 to 2016
James Padbury, M.D.	Physician	2001 to 2013
Angelleen Peters-Lewis	Health Care Executive	2012 to 2013
Maureen Phipps, M.D.	Physician	2012 to 2013
Raymond Powrie, M.D.	Physician	2012 to 2013
John M. Sutherland, III	Health Care Finance Executive	2007 to present
2012 OFFICERS of W&I Indemnity, Ltd.		
Raymond Powrie, M.D., President	Physician	2012 to 2013

RIDOH 0512

Name	Occupation	Tenure
2012 Executives and Senior Management of W&I Indemnity, Ltd.		
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
John M. Sutherland, III	Health Care Finance Executive	2007 to present
Mark Marcantano	Health Care Executive	2010 to 2013

2011: Officers, Directors, Executives and Senior Managers of W&I Indemnity, Ltd.

Name	Occupation	Tenure
2011 DIRECTORS of W&I Indemnity, Ltd.		
Lisa Boyle, M.D.	Physician	2011 to 2013
Kathleen Cote-Bowling, M.D.	Physician	2009 to present
Jane Dennison, M.D.	Physician	2007 to 2014
Stephen Falkenberry, M.D.	Physician	2011 to 2013
Elizabeth Gamble	Physician	2009 to 2013
Hanna, Cynthia	Physician	2011 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present
Lawrence, Dwayne, M.D.	Physician	2006 to 2013
Mark Marcantano	Health Care Executive	2010 to 2013

RIDOH 0513

Name	Occupation	Tenure
James Padbury, M.D.	Physician	2001 to 2013
Raymond Powrie, M.D.	Physician	2010 to 2013
2011 OFFICERS of W&I Indemnity, Ltd.		
Raymond Powrie, M.D., President	Physician	2010 to 2013
2011 Executives and Senior Management of W&I Indemnity, Ltd.		
Mark Marcantano	Health Care Executive	2010 to 2013
Constance Howes	Attorney, Health Care Executive	2001 to 2013
Dennis Keefe	Health Care Executive	2011 to present

RIDOH 0514

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Managers, Executives and Senior Managers of Women & Infants Health Care Alliance, LLC

Name	Occupation	Tenure
2012 MANAGERS of Women & Infants Health Care Alliance, LLC		
Kathleen Bowling, M.D.	Physician	2012 to present
Mauro Colavita, M.D.	Physician	2011 to present
Harris Galkin, M.D.	Physician	2011 to present
Debra Goldman, M.D.	Physician	2011 to present
Mark Marcantano	Health Care Executive	2011 to present
Carroll Medeiros, M.D.	Physician	2011 to present
Marilyn Powers D.O.	Physician	2011 to present
Pablo Rodriguez, M.D.	Physician	2011 to present
Robert Salk, D.O.	Physician	2011 to present
Santina Siena, M.D.	Physician	2011 to present
John M. Sutherland, III	Finance Health Care Executive	2011 to present
Gary Wharton, M.D.	Physician	2012 to present
2012 OFFICERS of Women & Infants Health Care Alliance, LLC		
John M. Sutherland, III, Treasurer	Finance Health Care Executive	2011 to present
Harris Galkin, M.D., Secretary	Physician	2011 to present
Pablo Rodriguez, M.D., Chairman	Physician	2011 to present
Robert Salk, D.O., Vice Chair	Physician	2011 to present

RIDOH 0516

Name	Occupation	Tenure
2012 Executives and Senior Management of Women & Infants Health Care Alliance, LLC		
N/A		

2011: Officers, Managers, Executives and Senior Managers of Women & Infants Health Care Alliance, LLC

Name	Occupation	Tenure
2011 MANAGERS of Women & Infants Health Care Alliance, LLC		
Mauro Colavita, M.D.	Physician	2011 to present
Harris Galkin, M.D.	Physician	2011 to present
Debra Goldman, M.D.	Physician	2011 to present
Mark Marcantano	Health Care Executive	2011 to present
Carroll Medeiros, M.D.	Physician	2011 to present
Marilyn Powers D.O.	Physician	2011 to present
Pablo Rodriguez, M.D.	Physician	2011 to present
Robert Salk, D.O.	Physician	2011 to present
Santina Siena, M.D.	Physician	2011 to present
John M. Sutherland, III	Finance Health Care Executive	2011 to present
2011 OFFICERS of Women & Infants Health Care Alliance, LLC		
John M. Sutherland, III, Treasurer	Finance Health Care Executive	2011 to present
Harris Galkin, M.D., Secretary	Physician	2011 to present

RIDOH 0517

Name	Occupation	Tenure
Pablo Rodriguez, M.D., Chairman	Physician	2011 to present
Robert Salk, D.O., Vice Chair	Physician	2011 to present
2011 Executives and Senior Management of Women & Infants Health Care Alliance, LLC		
N/A		

RIDOH 0518

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of W&I Physician Hospital Organization

Name	Occupation	Tenure
2012 DIRECTORS of W&I Physician Hospital Organization		
Constance Howes, Esq.	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D.	Physician	2002 to present
Jane Sharpe, M.D.	Physician	2010 to present
Jane Dennison, M.D.	Physician	2002 to present
Domenic Delmonico	Health Care Executive	2002 to present
Marc Jaffe, M.D.	Physician	2002 to present
Tolga Kokturk, M.D.	Physician	2008 to present
Carol Manning, M.D.	Physician	2002 to present
Peter Yasigian, M.D	Physician	2002 to present
Mark Marcantano	Health Care Executive	2010 to present
James Padbury, M.D.	Physician	2002 to present
2012 OFFICERS of W&I Physician Hospital Organization		
Constance Howes, Esq., President	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D. Chairman	Physician	2002 to present
Jane Sharpe, M.D., Vice President	Physician	2010 to present
Jane Dennison, M.D., Secretary	Physician	2002 to present

RIDOH 0520

Name	Occupation	Tenure
Domenic Delmonico, Treasurer	Health Care Executive	2002 to present
2012 Executives and Senior Management of W&I Physician Hospital Organization		
N/A		

2011: Officers, Directors, Executives and Senior Managers of W&I Physician Hospital Organization

Name	Occupation	Tenure
2011 DIRECTORS of W&I Physician Hospital Organization		
Constance Howes, Esq.	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D.	Physician	2002 to present
Jane Sharpe, M.D.	Physician	2010 to present
Jane Dennison, M.D.	Physician	2002 to present
Domenic Delmonico	Health Care Executive	2002 to present
Marc Jaffe, M.D.	Physician	2002 to present
Tolga Kokturk, M.D.	Physician	2008 to present
Carol Manning, M.D.	Physician	2002 to present
Peter Yasigian, M.D	Physician	2002 to present
Mark Marcantano	Health Care Executive	2010 to present
James Padbury, M.D.	Physician	2002 to present

W&I Physician Hospital Organization (cont.)

Name	Occupation	Tenure
2011 OFFICERS of W&I Physician Hospital Organization		
Constance Howes, Esq., President	Attorney, Health Care Executive	2002 to present
Richard Ohnmacht, M.D. Chairman	Physician	2002 to present
Jane Sharpe, M.D., Vice President	Physician	2010 to present
Jane Dennison, M.D., Secretary	Physician	2002 to present
Domenic Delmonico, Treasurer	Health Care Executive	2002 to present
2011 Executives and Senior Management of W&I Physician Hospital Organization		
N/A		

RIDOH 0522

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of W&I Ancillary Services, Inc.

Name	Occupation	Tenure
2012 DIRECTORS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2012 OFFICERS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2012 Executives and Senior Management of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present

2011: Officers, Directors, Executives and Senior Managers of W&I Ancillary Services, Inc.

Name	Occupation	Tenure
2011 DIRECTORS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2011 OFFICERS of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present
2011 Executives and Senior Management of W&I Ancillary Services, Inc.		
Constance A. Howes, Manager	Attorney, Health Care Executive	2006 to present

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Kent County Visiting Nurses Association d/b/a VNA of Care New England

Name	Occupation	Tenure
2012 DIRECTORS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Justice Robert G. Flanders, Jr. (Ret.)	Attorney	2011 to present
John Galvin	Business Executive	2011 to present
Kent Gladding	Banking Executive	2011 to present
Douglas Jacobs	Retired Banking Executive	2011 to present
Dennis Keefe	Health Care Executive	2011 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2011 to present
Joseph McGair, Esq.	Attorney	2011 to present
Robert Padula	Insurance Executive	2011 to present
Cynthia Patterson	Retired, Community Rep.	2011 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2011 to present
Charles Reppucci	Business Executive	2011 to present

RIDOH 0526

Kent County Visiting Nurses Association d/b/a VNA of Care New England (cont.)

Name	Occupation	Tenure
George Shuster	Business Executive	2011 to present
Santina Siena, M.D.	Physician	2011 to 12.2012
Joseph Spinale, D.O	Physician	2011 to 9.2012
Maribeth Williamson	Business Executive	2011 to present
2012 OFFICERS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Dennis Keefe	Health Care Executive	2011 to present
George Shuster, Chairman	Business Executive	2011 to present
Charles Reppucci, Vice Chairman	Business Executive	2011 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2011 to present
Jack Sutherland, III, Assistant Treasurer	Health Care Executive	2006 to present
Cynthia Patterson, Secretary	Retired, Community Rep.	2011 to present
Alyssa Boss, Assistant Secretary	Attorney	2012 to present
Patricia Recupero, J.D., M.D., CEO Butler Hospital	Physician, Attorney and Health Care Executive	1999 to present
Sandra Coletta, CEO Kent Hospital	Health Care Executive	2009 to present
Constance Howes, CEO Women & Infants	Attorney and Health Care Executive	2002 to present
Nancy Roberts, President VNA	Health Care Executive	1999 to present

RIDOH 0527

Name	Occupation	Tenure
2012 Executives and Senior Management of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present

2011: Officers, Directors, Executives and Senior Managers of Kent County Visiting Nurses Association d/b/a VNA of Care New England

Name	Occupation	Tenure
2011 DIRECTORS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Paul Alexander, CPA	Financial Executive	2010 to 9.2011
Robert E. Baute, M.D.	Physician	2011 to 9.2011
Joan Caine	Banking Executive	2011 to 9.2011
Frank Delmonico	Retired Health Care Executive	2011 to 9.2011
Austin Donnelly	Retired	2011 to 9.2011
Esther Emard	Health Care Executive	2011 to 9.2011
Andrew Gilstein	Attorney	2011 to 9.2011
Susan Gilstein	Retired Nurse	2011 to 9.2011
Kent Gladding	Banking Executive	2011 to 9.2011
Michael R. Goldenberg, Esq.	Attorney	2011 to 9.2011
Gary Grande	CPA	2011 to 9.2011
Kevin Hackman	Attorney	2011 to 9.2011
Sherry Howard	CPA	2011 to 9.2011

RIDOH 0528

Kent County Visiting Nurses Association d/b/a VNA of Care New England (cont.)

Name	Occupation	Tenure
Margaret McGillivray	Business Owner, Nurse	2011 to 9.2011
William Murphy	Business Executive	2011 to 9.2011
Howard Ostrowsky CPA	CPA	2011 to 9.2011
Jack Sutherland, III	Health Care Executive	2011 to 9.2011
2011 OFFICERS of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present
Nancy Roberts, President (VNA)	Health Care Executive	1999 to present
2011 Executives and Senior Management of Kent County Visiting Nurses Association d/b/a VNA of Care New England		
Nancy Roberts, President	Health Care Executive	1999 to present

RIDOH 0529

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of VNA Foundation

Name	Occupation	Tenure
2012 DIRECTORS of VNA Foundation		
Paul Alexander	Financial Executive	2011 to present
Joan Caine	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Andrew Gilstein	Attorney	2011 to present
Suzane Gilstein	Retired Nurse	2011 to present
Kent Gladding	Banking Executive	2011 to present
Michael R. Goldenbert	Attorney	2011 to present
Kevin Hackman	Attorney	2011 to present
Sherry Howard	CPA	2011 to present
Margaret McGillivray	Business Owner, Nurse	2011 to present
Howard Ostrowsky	CPA	2011 to present
Nancy Roberts	Health Care Executive President CEO of VNA of Care New England	2011 to present
Kathy Topor	Health Care Executive	2011 to present
2012 Officers of VNA Foundation		
Kent Gladding, Chair	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present

RIDOH 0531

Name	Occupation	Tenure
Howard Ostrowsky	CPA	2011 to present
2012 Executives and Senior Management of VNA Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of VNA Foundation

Name	Occupation	Tenure
2011 DIRECTORS of VNA Foundation		
Paul Alexander	Financial Executive	2011 to present
Joan Caine	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Esther Emard	Health Care Executive	2011 to present
Andrew Gilstein	Attorney	2011 to present
Suzane Gilstein	Retired Nurse	2011 to present
Kent Gladding	Banking Executive	2011 to present
Michael R. Goldenbert	Attorney	2011 to present
Kevin Hackman	Attorney	2011 to present
Sherry Howard	CPA	2011 to present
Margaret McGillivray	Business Owner, Nurse	2011 to present
Howard Ostrowsky	CPA	2011 to present

Name	Occupation	Tenure
Nancy Roberts	Health Care Executive President CEO of VNA of Care New England	2011 to present
Kathy Topor	Health Care Executive	2011 to present
2011 OFFICERS of VNA Foundation		
Kent Gladding, Chair	Banking Executive	2011 to present
Frank Delmonico	Retired Health Care Executive	2011 to present
Howard Ostrowsky	CPA	2011 to present
2011 Executives and Senior Management of VNA Foundation		
N/A		

RIDOH 0533

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Health Touch, Inc.

Name	Occupation	Tenure
2012 DIRECTORS of Health Touch, Inc.		
Herbert Brennan, DO	Physician	2012 to present
David Carcieri, MD	Physician	2012 to present
Allen Cicchitelli	Real Estate Executive	2012 to present
Esther Emard	Health Care Executive	2012 to present
Justice Robert G. Flanders, Jr. (Ret.)	Attorney	2012 to present
John Galvin	Business Executive	2012 to present
Kent Gladding	Banking Executive	2012 to present
Douglas Jacobs	Retired Banking Executive	2012 to present
Dennis Keefe	Health Care Executive	2012 to present
Diane Lipscombe, Ph.D.	Professor and Researcher	2012 to present
Joseph McGair, Esq.	Attorney	2012 to present
Robert Padula	Insurance Executive	2012 to present
Cynthia Patterson	Retired, Community Rep.	2012 to present
Lisa Shea, M.D.	Physician and Health Care Executive	2012 to present
Charles Reppucci	Business Executive	2012 to present
George Shuster	Business Executive	2012 to present

RIDOH 0535

Name	Occupation	Tenure
Santina Siena, M.D.	Physician	until 12.2012
Joseph Spinale, D.O	Physician	until 9.2012
Maribeth Williamson	Business Executive	2012 to present
2012 OFFICERS of Health Touch, Inc.		
Dennis Keefe, President of CNE	Health Care Executive	2012 to present
George Shuster, Chairman	Business Executive	2012 to present
Charles Reppucci, Vice Chairman	Business Executive	2012 to present
Douglas Jacobs, Treasurer	Retired Banking Executive	2012 to present
Jack Sutherland, III	Health Care Executive	2012 to present
Cynthia Patterson	Retired, Community Rep.	2012 to present
Nancy Roberts, President (VNA)	Health Care Executive	1999 to present
2012 Executives and Senior Management of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present

2011: Officers, Directors, Executives and Senior Managers of Health Touch, Inc.

Name	Occupation	Tenure
2011 DIRECTORS of Health Touch, Inc.		
Paul Alexander, CPA	Financial Executive	2010 to 9.2011
Robert E. Baute, M.D.	Physician	2011 to 9.2011
Joan Caine	Banking Executive	2011 to 9.2011
Frank Delmonico	Retired Health Care Executive	2011 to 9.2011
Austin Donnelly	Retired	2011 to 9.2011
Esther Emard	Health Care Executive	2011 to 9.2011
Andrew Gilstein	Attorney	2011 to 9.2011
Susan Gilstein	Retired Nurse	2011 to 9.2011
Kent Gladding	Banking Executive	2011 to 9.2011
Michael R. Goldenberg, Esq.	Attorney	2011 to 9.2011
Gary Grande	CPA	2011 to 9.2011
Kevin Hackman	Attorney	2011 to 9.2011
Sherry Howard	CPA	2011 to 9.2011
Margaret McGillivray	Business Owner, Nurse	2011 to 9.2011
William Murphy	Business Executive	2011 to 9.2011
Howard Ostrowsky CPA	CPA	2011 to 9.2011
Jack Sutherland, III	Health Care Executive	2011 to 9.2011

RIDOH 0537

2011 OFFICERS of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present
2011 Executives and Senior Management of Health Touch, Inc.		
Nancy Roberts, President	Health Care Executive	1999 to present

RIDOH 0538

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Kent Hospital Foundation

Name	Occupation	Tenure
2012 DIRECTORS of Kent Hospital Foundation		
Reid S. Appleby, Jr., M.D.	Retired Physician	2012 to 2014
Robert E. Baute, M.D.	Physician	2012 to 2014
Raymond J. Bolster, III	Banking Executive	2011 to 2014
Thomas J. Celona	Retired Business Executive	2011 to 2014
Edward J. Cooney	Business Executive	2009 to 2012
Sandra L. Coletta	Health Care Executive	2008 to present
Michael J. Dacey, Jr., M.D.	Physician	2011 to 2014
Candace L. Dyer, M.D.	Physician	2011 to 2014
Andrew M. Erickson	Retired	2011 to 2014
Jonathan K. Farnum	Retired	2010 to 2013
Gerard R. Goulet	Attorney	2011 to 2014
Andrea M. Hopkins	Retired	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
John J.	Retired	2011 to 2014
Kenneth L. MacNaught	Retired	2011 to 2014
Gerald G. McClure	Retired	2010 to 2013
Stephen A. Rooks	Business Executive	2011 to 2013
George W. Shuster	Business Executive	2011 to 2014
Joseph W. Spinale, D.O.	Physician	2011 to 2014

RIDOH 0540

Name	Occupation	Tenure
James M. Vesey	Retired	2011 to 2014
Maribeth Q. Williamson	Business Executive	2010 to 2013
Vincent Yakavonis, M.D.	Physician	2009 to 2012
Janice M. Caianiello, RN	Retired	2010 to present
2012 OFFICERS of Kent Hospital Foundation		
Raymond J. Bolster, III, Treasurer	Banking Executive	2011 to 2014
Jonathan K. Farnum, Vice Chair	Retired	2010 to 2013
Gerard R. Goulet, Secretary	Attorney	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
2012 Executives and Senior Management of Kent Hospital Foundation		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Kent Hospital Foundation

Name	Occupation	Tenure
2011 DIRECTORS of Kent Hospital Foundation		
Raymond J. Bolster, III	Banking Executive	2011 to 2014
Thomas J. Celona	Retired Business Executive	2011 to 2014
Edward J. Cooney	Business Executive	2009 to 2012
Sandra L. Coletta	Health Care Executive	2008 to present

RIDOH 0541

Kent Hospital Foundation (cont.)

Name	Occupation	Tenure
Michael J. Dacey, Jr., M.D.	Physician	2011 to 2014
Candace L. Dyer, M.D.	Physician	2011 to 2014
Andrew M. Erickson	Retired	2011 to 2014
Jonathan K. Farnum	Retired	2010 to 2013
Gerard R. Goulet	Attorney	2011 to 2014
Andrea M. Hopkins	Retired	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
John J. Hynes	Retired	2011 to 2014
Kenneth L. MacNaught	Retired	2011 to 2014
Gerald G. McClure	Retired	2010 to 2013
Stephen A. Rooks	Business Executive	2011 to 2013
George W. Shuster	Business Executive	2011 to 2014
Joseph W. Spinale, D.O.	Physician	2011 to 2014
James M. Vesey	Retired	2011 to 2014
Maribeth Q. Williamson	Business Executive	2010 to 2013
Vincent Yakavonis, M.D.	Physician	2009 to 2012
Janice M. Caianiello, RN	Retired	2010 to present

RIDOH 0542

2011 OFFICERS of Kent Hospital Foundation		
Raymond J. Bolster, III, Treasurer	Banking Executive	2011 to 2014
Jonathan K. Farnum, Vice Chair	Retired	2010 to 2013
Gerard R. Goulet, Secretary	Attorney	2011 to 2014
James A. Hopkins, Chair	Retired	2011 to 2014
2011 Executives and Senior Management of Kent Hospital Foundation		
N/A		

RIDOH 0543

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Toll Gate Indemnity, Ltd.

Name	Occupation	Tenure
2012 DIRECTORS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D.	Physician	2005 to 2013
Robert Binek, M.D.	Physician	2010 to 2013
Jason Boudjouk, M.D.	Physician	2008 to 2016
Alexander Calenda, M.D.	Physician	2008 to 2016
Sandra Coletta	Health Care Executive	2009 to present
Robert Dinwoodie, D.O.	Physician	2005 to present
Joseph DiPietro	Health Care Executive	2005 to present
Vincent Yakavonis, M.D.	Physician	2005 to 2014
Michael Dacey, M.D.	Physician	2010 to present
Rene Fischer	Health Care Executive	2010 to present
Candace Dyer, M.D.	Physician	2012 to present
John Gelzhiser, M.D.	Physician	2012 to present
Dennis Keefe	Health Care Executive	2012 to present
Anthony Mechrefe, M.D.	Physician	2012 to present
George Shuster	Business Executive	2005 to present
Edward Thomas, M.D.	Physician	2005 to present
Sunil Verma, M.D.	Physician	2012 to present
Michael Dacey, M.D.	Physician	2010 to present

RIDOH 0545

Name	Occupation	Tenure
2012 OFFICERS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D., Vice Chairman	Physician	2005 to present
Joseph DiPietro, President and CEO	Health Care Executive	2005 to present
Vincent Yakavonis, M.D., Chairman	Physician	2005 to present
Paul Beaudoin, V.P. and Treasurer	Health Care Finance Executive	2005 to present
John M. Sutherland, Assistant Treasurer	Health Care Finance Executive	2005 to present
Edward Thomas, M.D., Secretary	Physician	2005 to present
2012 Executives and Senior Management of Toll Gate Indemnity, Ltd.		
N/A		

2011: Officers, Directors, Executives and Senior Managers of Toll Gate Indemnity, Ltd.

Name	Occupation	Tenure
2011 DIRECTORS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D.	Physician	2005 to 2013
Robert Binek, M.D.	Physician	2010 to 2013
Jason Boudjouk, M.D.	Physician	2008 to 2016
Alexander Calenda, M.D.	Physician	2008 to 2016

RIDOH 0546

Name	Occupation	Tenure
Sandra Coletta	Health Care Executive	2009 to present
Michael Dacey, M.D.	Physician	2010 to present
Robert Dinwoodie, D.O.	Physician	2005 to present
Joseph DiPietro	Health Care Executive	2005 to present
Rene Fischer	Health Care Executive	2010 to present
John J. Hynes	Retired	2011 to 2012
Peter Graves, M.D.	Physician	2009 to present
Omprakash Kothari	Physician	2005 to present
George Shuster	Business Executive	2005 to present
Edward Thomas, M.D.	Physician	2005 to present
Christopher Zabbo, M.D.	Physician	2011 to present
2011 OFFICERS of Toll Gate Indemnity, Ltd.		
Jared Barlow, M.D., Vice Chairman	Physician	2005 to present
Joseph DiPietro, President and CEO	Health Care Executive	2005 to present
Vincent Yakavonis, M.D., Chairman	Physician	2005 to present
Paul Beaudoin, V.P. and Treasurer	Health Care Finance Executive	2005 to present
John M. Sutherland, Assistant Treasurer	Health Care Finance Executive	2005 to present
Edward Thomas, M.D., Secretary	Physician	2005 to present

RIDOH 0547

Name	Occupation	Tenure
2011 Executives and Senior Management of Toll Gate Indemnity, Ltd.		
N/A		

RIDOH 0548

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Affinity Physicians, LLC

Name	Occupation	Tenure
2012 DIRECTORS of Affinity Physicians, LLC		
John Isaac, M.D.	Physician	2010 to present
Sebastian Trombatore, M.D.	Physician	2010 to present
Michael Dacey, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Sandra Coletta	Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Michael Quas, M.D.	Physician	2011 to present
Joseph Spinale D.O.	Physician	2012 to present
Duane Golomb, M.D.	Physician	2012 to present
Chester Hedgepeth, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2012 OFFICERS of Affinity Physicians, LLC		
Sebastian Trombatore, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012

RIDOH 0550

Name	Occupation	Tenure
2012 Executives and Senior Management of Affinity Physicians, LLC		
Richard Renehan	Health Care Executive	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present

2011: Officers, Directors, Executives and Senior Managers of Affinity Physicians, LLC

Name	Occupation	Tenure
2011 DIRECTORS of Affinity Physicians, LLC		
John Isaac, M.D.	Physician	2010 to present
Sebastian Trombatore, M.D.	Physician	2010 to present
Michael Dacey, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Sandra Coletta	Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2011 OFFICERS of Affinity Physicians, LLC		
Sebastian Trombatore, M.D.	Physician	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present
Paari Gopalakrishnan, M.D.	Physician	2010 to present

Name	Occupation	Tenure
Duane Golomb, M.D.	Physician	2012 to present
Bernard St. Jean, M.D.	Physician	2010 to 2012
2011 Executives and Senior Management of Affinity Physicians, LLC		
Richard Renehan	Health Care Executive	2010 to present
Paul Beaudoin	Finance Health Care Executive	2010 to present

RIDOH 0552

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Directors, Executives and Senior Managers of Kent County Health Services

Name	Occupation	Tenure
2012 DIRECTORS of Kent County Health Services		
Denise Arcand, MD	Physician	2012 to present
Keith Callahan, MD	Physician	2012 to present
George N. Cooper, MD	Physician	2012 to present
Ellen H. Frankel, MD	Physician	2012 to present
Anthony Lombardi, MD	Physician	2012 to present
2012 OFFICERS of Kent County Health Services		
Joseph Spinale, DO, President	Physician	2012 to present
Sandra L. Coletta, Vice-President	Health Care Executive	2012 to present
Stephen Rooks, Secretary	Business Executive	2012 to present
Jason Boudjouk, MD, Treasurer	Physician	2012 to present
2012 Executives and Senior Management of Kent County Health Services		
N/A		

RIDOH 0554

2011: Officers, Directors, Executives and Senior Managers of Kent County Health Services

Name	Occupation	Tenure
2011 DIRECTORS of Kent County Health Services		
Denise Arcand, MD	Physician	2011 to present
George N. Cooper, MD	Physician	2011 to present
Ellen H. Frankel, MD	Physician	2011 to present
John J. Hynes	Retired	2011 to 2012
Norman Kornwitz, MD	Physician	2011 to 2012
Anthony Lombardi, MD	Physician	2011 to present
2011 OFFICERS of Kent County Health Services		
Joseph Spinale, DO, President	Physician	2011 to present
Sandra L. Coletta, Vice-President	Health Care Executive	2011 to present
Stephen Rooks, Secretary	Business Executive	2011 to present
Jason Boudjouk, MD, Treasurer	Physician	2011 to present
2011 Executives and Senior Management of Kent County Health Services		
N/A		

RIDOH 0555

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

2012: Officers, Managers, Executives and Senior Managers of Kent Ancillary Services, LLC

Name	Occupation	Tenure
2012 MANAGERS of Kent Ancillary Services, LLC		
Kent Hospital, Managing Member	Hospital	2012 to present
2012 OFFICERS of Kent Ancillary Services, LLC		
Joseph DiPietro, Senior Vice President & Chief Administrative Officer	Health Care Executive	2012 to present
2012 Executives and Senior Management of Kent Ancillary Services, LLC		
N/A		

2011: Officers, Manager, Executives and Senior Managers of Kent Ancillary Services, LLC

Name	Occupation	Tenure
2011 MANAGERS of Kent Ancillary Services, LLC		
Kent Hospital, Managing Member	Hospital	2011 to 2012
2011 OFFICERS of Kent Ancillary Services, LLC		
Joseph DiPietro, Senior Vice President & Chief Administrative Officer	Health Care Executive	2012 to present
2011 Executives and Senior Management of Kent Ancillary Services, LLC		
N/A		

RIDOH 0557

EXHIBIT 8(A) Table of Contents

Tab	Description	Bates Number
8(A) -A	CNE – Conflicts of Interest and Confidentiality Policy	RIDOH 0559
8(A) -B	CNE – Compliance Program	RIDOH 0568
8(A) -C	CNE – Code of Conduct	RIDOH 0582

CONFLICTS OF INTEREST AND CONFIDENTIALITY POLICY

Version No:	**001**	**Date Issued: June 28, 2012**
Date Approved:	**June 28, 2012**	**Approved by: CNE Board of Directors**
Date(s) Revised:		
Revised By:		
Comments:		

CARE NEW ENGLAND

♦ BUTLER HOSPITAL ♦ KENT HOSPITAL ♦ WOMEN AND INFANTS HOSPITAL
♦ VNA OF CNE ♦ CNE WELLNESS CENTER

SUBJECT: Conflicts of Interest and Confidentiality	PREPARED BY: Kim Peery, Esq. Vice President Deputy General Counsel	EFFECTIVE DATE: June 28, 2012	POLICY NUMBER: CNE-GC-A
PAGE: 1 of 9	APPROVED BY: CNE Board of Directors	REPLACES: NONE	REPLACES: NONE

Care New England Health System (the "**Corporation**") is committed to maintaining the highest standards of integrity, honesty and ethical responsibility in all aspects of our operations and professional and business conduct. The Corporation recognizes that such operations and professional and business conduct involves the expertise and dedication of its employees and members of the community and further recognizes that, in certain instances, the personal and/or business interests of such employees and members of the community may give rise to potential conflicts of interest. This Conflicts of Interest and Confidentiality Policy (the "**Policy**") has been developed with the objective of implementing procedures that involve identification, disclosure, monitoring, and oversight of potentially conflicting interests in order to reconcile any such conflicting interests with an individual's fiduciary duties to the Corporation and its Affiliates (as such term is defined in Section 1.1).

This Policy is intended to supplement but not replace the State of Rhode Island General Laws applicable to conflicts of interests for non-profit corporations set forth in Section 7-6-26.1 of the Rhode Island Non-Profit Corporation Act, as the same may be amended from time to time or any successor provision thereto, and any federal laws governing conflicts of interest applicable to non-profit and charitable organizations.

Article 1
Scope

Section 1.1 Scope. This Policy applies to each director, officer, and member of a committee of Care New England Health System (the "**Corporation**"), and each director, officer, and

RIDOH 0559

member of a committee of Butler Hospital, Butler Hospital Foundation, Women & Infants Corporation, Women & Infants Hospital of Rhode Island, Women & Infants Development Foundation, Kent County Visiting Nurses Association, VNA Foundation, Kent County Memorial Hospital, and Kent Hospital Foundation (each an "**Affiliate**" and collectively, the "**Affiliates**"). As used in this Policy, each director, officer, and member of a committee of the Corporation and/or an Affiliate will be referred to herein as a "**Covered Person**" or collectively, as the "**Covered Persons**").

Article 2
General Duty; Purpose

Section 2.1 General Duty.

(a) As a director, officer or member of a committee of the Corporation and/or an Affiliate, each Covered Person has a duty to discharge his or her duties in good faith and with such care as an ordinarily prudent person in a like position would use under similar circumstances. Further, as a director, officer or member of a committee of the Corporation and/or an Affiliate, each of which is a tax-exempt, charitable organization, all Covered Persons must act in the best interests of the Corporation and its Affiliates. To act in the best interests of the Corporation and its Affiliates, each Covered Person must act in a manner that he or she reasonably believes to be consistent with, and in furtherance of, the charitable purposes of the Corporation and its Affiliates.

(b) In connection with the foregoing, each Covered Person is prohibited from using information obtained as a result of his or her position with the Corporation and/or an Affiliate for personal gain or to assist others in profiting in any way at the expense of the Corporation or any Affiliate, and each Covered Person must disclose in accordance with this Policy any actual or potential personal interest or activity of such Covered Person that influences or appears to influence such Covered Person's ability to act in the best interests of the Corporation or any Affiliate.

Section 2.2 Purpose. The purpose of this Policy is to:

(a) to ensure fair treatment of the Corporation and its Affiliates;

(b) to protect the interests of the Corporation and/or an Affiliate when the Corporation and/or an Affiliate is proposing to enter into a transaction or arrangement that might benefit the private interest of a Covered Person; and

(c) to ensure the protection and preservation of confidential and/or proprietary information that may be disclosed or made available to a Covered Person as a result of his or her position with the Corporation and/or an Affiliate.

RIDOH 0560

Article 3
Duty to Disclose Relationships

Section 3.1 Annual Disclosure. Each Covered Person will, prior to beginning service as a director, officer or member of a committee of the Corporation and/or an Affiliate and on an annual basis thereafter, complete and sign a statement (the "**Related Party Questionnaire**") in which such Covered Person:

(a) discloses the existence and nature of any Relationships (as such term is defined in Section 3.3) with an entity or an individual that does business with, or is a competitor of, the Corporation and/or an Affiliate;

(b) confirms that he or she has received a copy of, and has read and understands, this Policy;

(c) agrees to comply with all of the provisions of this Policy; and

(d) acknowledges and understands that the Corporation and the Affiliates have been organized, and will at all times be operated, in a manner that is consistent with their charitable purposes and that the Corporation and the Affiliates must engage primarily in activities that accomplish one or more of such charitable purposes.

Section 3.2 Ongoing Disclosure. Each Covered Person will have the ongoing duty to disclose the existence and nature, and any material facts, of a Relationship with an entity or an individual when such Covered Person:

(a) has knowledge that a board or committee of the Corporation or any Affiliate is proposing to enter into a transaction or arrangement with such entity or individual; and

(b) is in a position to influence or is in a position that may appear to influence a decision by such board or committee.

In such an event, the Covered Person will disclose the Relationship to the applicable board or committee as soon as practicable, but in any case the disclosure must be made prior to consideration of the transaction or arrangement by such board or committee. Prior submission of the Related Party Questionnaire pursuant to Section 3.1 will not satisfy the duty to disclose in this Section 3.2 as a Relationship may have arisen during the period between submissions of a Related Party Questionnaire.

Section 3.3 Relationship. The following would constitute a "**Relationship**" with an entity or an individual that does business with, or is a competitor of, the Corporation and/or an Affiliate, or an entity or an individual with which the Corporation or any Affiliate proposes to enter into a transaction or arrangement (*e.g.* health care systems, other health care providers, entities which finance the delivery of health care services (such as managed care companies, HMOs, and PPOs), vendors and suppliers):

(a) A Covered Person or an immediate family member of a Covered Person has (directly or through business) a current or pending, as an applicant or candidate, employment arrangement or other similar compensation arrangement (*e.g.* independent contractor agreement, consulting agreement, management agreement, other service agreements) with such entity or individual;

(b) A Covered Person or an immediate family member of a Covered Person currently has or is involved in a transaction that could result in an ownership or investment interest (directly or through business) with such entity or individual (this excludes an ownership or investment interest in a non-controlling minority interest in a publicly held entity);

(c) A Covered Person or an immediate family member of a Covered Person receives any other compensation from such entity or individual (*e.g.* receipt of gifts or other items each having a value of **twenty-five dollars ($25)** or more (or having a value of **twenty-five dollars ($25)** or less but exceeding an annual aggregate (12 consecutive months) of **two hundred dollars ($200)**), or acceptance of meals or entertainment having a value of **seventy-five dollars ($75)** or more (or having a value of **seventy-five dollars ($75)** or less but exceeding an annual aggregate (twelve consecutive months) of **two hundred dollars ($200)**); or

(d) A Covered Person or an immediate family member of a Covered Person is in a position to influence or is in a position that may appear to influence a decision by such entity or individual (*e.g.* service on a board or committee or familial relationship with an individual).

The presence of a Relationship does not necessarily mean that a Covered Person has a conflict of interest; rather, a Covered Person has a conflict of interest only if it is determined by the applicable board or committee that the presence of such Relationship gives rise to a conflict of interest.

Article 4
Evaluation of Relationships

Section 4.1 Evaluation of Related Party Questionnaires. As part of the Corporation's compliance program, all Related Party Questionnaires submitted pursuant to Section 3.1 will be reviewed by the office of the Director, CNE Compliance Services (the "**Compliance Office**"), in conjunction with the Corporation's legal department (as the Director, CNE Compliance Services (the "**CNE Compliance Officer**") deems necessary). The CNE Compliance Officer will determine whether any disclosures on a Related Party Questionnaire require implementation of a conflict of interest management plan with respect to such disclosure and if so, will make such management plan recommendations to the Audit & Compliance Committee of the Corporation (the "**Audit Committee**"). Any Audit Committee action to implement or modify a management plan will be made by members of the Audit Committee that are disinterested in the matter under review.

Section 4.2 Evaluation of Ongoing Disclosures. In the event a disclosure is made by a Covered Person pursuant to Section 3.2, then the applicable board or committee will:

RIDOH 0562

(a) discuss (which may or may not, as determined by a majority of disinterested members of such board or committee, involve excusing the Covered Person disclosing the Relationship from the meeting) the Relationship disclosed by the Covered Person at the meeting at which the disclosure is made (or, if the disclosure was made prior to the meeting, then at the applicable board or committee meeting following such disclosure);

(b) after discussion, such board or committee will determine, by majority vote of the disinterested members of such board or committee, whether the Relationship gives rise to a conflict of interest; and

(c) if such board or committee determines that the Relationship gives rise to a conflict of interest, then such board or committee will determine whether to enter into the proposed transaction or arrangement giving rise to the conflict of interest in accordance with Section 5.4.

Article 5
Procedures for Addressing a Conflict of Interest

Section 5.3 Conflict of Interest – Management Plan. Any consideration of a transaction or arrangement by a board or committee that involves a Covered Person that has a conflict of interest management plan will be taken in accordance with such conflict of interest management plan and taking into consideration those items set forth in Section 5.4(b)(i) through Section 5.4(b)(iv).

Section 5.4 Conflict of Interest – Ongoing Disclosure. In the event the applicable board or committee determines that a conflict of interest exists as a result of a disclosure by a Covered Person pursuant to Section 4.2, then such board or committee will:

(a) excuse the Covered Person with the conflict of interest from that portion of the meeting(s) where the proposed transaction or arrangement will be discussed;

(b) engage in an open discussion to determine whether the proposed transaction or arrangement that involves the conflict of interest:

(i) is in the best interests of the Corporation or Affiliate, as the case may be;

(ii) is for the Corporation's or Affiliate's, as the case may be, own benefit;

(iii) is fair and reasonable to the Corporation or Affiliate, as the case may be; and

(iv) is on terms no less favorable than is available from unrelated third parties on an arms-length basis.

RIDOH 0563

(c) determine, by majority vote of the disinterested members of such board or committee, whether to enter into such transaction or arrangement taking into consideration those items set forth in Section 5.2(b)(i) through Section 5.2(b)(iv).

Notwithstanding Section 5.2(a), the chairperson of the applicable board or committee may, at his or her discretion and consistent with any applicable management plan, allow the Covered Person with the conflict of interest to remain at the meeting during the discussion portion of the meeting(s) set forth in Section 5.4(a) and Section 5.4(b); provided, however, that such Covered Person will be excused prior to the final deliberation and vote pursuant to Section 5.4(c).

Section 5.5 Investigation of Alternatives. A board or committee may, prior to making a decision with respect to a proposed transaction or arrangement that involves a conflict of interest pursuant to Section 5.4(c), determine that it is appropriate to investigate alternatives to such proposed transaction or arrangement and may appoint a disinterested person or committee to investigate alternatives to the proposed transaction or arrangement and defer taking action on the proposed transaction that involves the conflict of interest until such time as the disinterested person and/or committee has had the opportunity to investigate alternatives and make a report to the applicable board or committee.

Article 6
Violations of the Policy

Section 6.6 Violations of the Policy. If any board, committee or Covered Person has reasonable cause to believe that a Covered Person has violated any provision in this Policy, including failure to disclose a Relationship, then such board, committee or Covered Person will inform the CNE Compliance Officer and the chairperson of the applicable board or committee, except to the extent that the alleged violation involves the CNE Compliance Officer and/or the chairperson of the applicable board or committee, in which case such board, committee or Covered Person will inform the President and Chief Executive Officer of the Corporation, the Audit Committee or the Board of Directors of the Corporation (the "**CNE Board**"), as deemed appropriate. The CNE Compliance Officer or the applicable board or committee (or in the event the alleged violation involves the CNE Compliance Officer and/or the chairperson of the applicable board or committee, the CNE CEO, the Audit Committee or the CNE Board), as applicable:

(a) will notify the Covered Person alleged to have violated the Policy of the basis for such belief;

(b) will afford the Covered Person an opportunity to explain the alleged violation;

(c) may conduct such further investigation as the CNE Compliance Officer or the CNE Board, as applicable determines necessary; and

(d) determine what action (*e.g.* disciplinary, corrective or recommendation to the CNE Board or Audit Committee in the case of the CNE Compliance Officer), if any, is necessary to protect the interests of the applicable Corporation or the Affiliate.

RIDOH 0564

Potential violations of this Policy will be properly documented and, as necessary, recorded in the applicable board or committee minutes in accordance with Section 8.1(c).

Article 7
Compensation Related Conflicts

Section 7.7 Compensation-Related Conflicts. A Covered Person who receives compensation, directly or indirectly, from the Corporation or an Affiliate for services may not vote on matters that may directly or indirectly relate to such Covered Person's compensation; provided, however that such Covered Person may provide information regarding compensation to any board or committee.

Section 7.8 Physicians. Physicians who receive compensation from the Corporation or an Affiliate, whether directly or indirectly, or as employees or independent contractors, may not serve on any committee whose duties and responsibilities include matters related to compensation. However, a physician may provide information regarding compensation to any committee.

Article 8
Minutes

Section 8.1 Minutes. The review and any specific actions regarding any management plans described in Section 4.1, the disclosures and procedures described in Section 3.2, Section 4.2, and Section 5.4 and any actions by the CNE Board or Audit Committee in connection with potential violations of this Policy will be recorded in the applicable board or committee minutes. Such minutes will include, as applicable:

(a) The names of the Covered Person, the nature of the potential conflict of interest, such board's or committee's decision as to whether a conflict of interest existed and any actions taken by such board or committee to make such decision;

(b) The names of the persons who were present for discussions and votes relating to the proposed transaction and arrangement, the content of discussion, including any alternatives to the proposed transaction and arrangement, and a record of any votes taken in connection with the proceedings, including abstentions and recusals; and

(c) The names of the Covered Person who allegedly violated this Policy, the names of the persons who were present for the discussions relating to the alleged violation, the content of discussion, and a record of any votes taken with respect to whether a violation in fact occurred and the disciplinary or other corrective action taken in connection therewith, if any.

Article 9
Reviews; Use of Experts

Section 9.2 Reviews. To ensure that the Corporation and the Affiliates operate in a manner that is consistent with their charitable purposes and that the Corporation and the Affiliates do not

RIDOH 0565

engage in activities that could jeopardize the tax-exempt status of the Corporation or any of the Affiliates, the Corporation will ensure that the CNE Compliance Officer conducts periodic reviews of the operations of the Corporation and the Affiliates. Such periodic reviews will be conducted at such times as determined by the CNE Compliance Officer and/or the CNE Board and may include a review to ensure that any compensation arrangements, partnership arrangements, joint ventures and/or other arrangements with third parties are consistent with applicable policies, are properly documented and reflect reasonable payment for goods and services, further charitable purposes and do not result in inurement or impermissible private benefit or in an excess benefit transaction.

Section 9.3 Use of Experts. Outside advisors may, but need not be, used in conducting the period reviews provided for in Section 9.2. If outside advisors are used, their use will not relieve the CNE Board of its responsibility for ensuring that periodic reviews are conducted.

Article 10
Confidentiality

Section 10.1 Confidentiality.

(a) Each Covered Person, during his or her service to the Corporation and/or an Affiliate and thereafter, shall maintain in confidence, shall keep absolutely secret, and shall not disclose to any person or entity, or make any copy of or reproduce in any form or otherwise publicize, any Confidential Information, without the prior written consent of the Corporation. "**Confidential Information**" includes all information, documents, agreements, reports, work-product, analysis, compilations, studies or any other data disclosed to the Covered Person by the Corporation, an Affiliate or any of its/their affiliates, members, shareholders, officers, directors, trustees, managers, employees, agents, consultants and/or other representatives during the course of such Covered Person's service to the Corporation and/or an Affiliate, including, but not limited to: (i) the programs, policies, trade secrets, patient lists, physician lists, patient programs, patient charts, records, files, documents, and computer data of the Corporation and any of its affiliates; and (ii) information relating to the Corporation's and any of its affiliate's business processes and practices, financial and billing matters, techniques, employees, programming and formation information, trade "know how," third party and other contacts, pricing policies, operational methods, marketing plans or strategies, business acquisition plans, new personnel acquisition plans, technical processes, and other information of any kind that a Covered Person may have access to as a result of his or her service to the Corporation and/or an Affiliate.

(b) Additionally, each Covered Person (i) shall not use any Confidential Information to compete with, obtain an advantage against, or use adversely to the Corporation or any Affiliate in any transaction or arrangement or any legal proceeding; (ii) shall comply with any security measures that may be requested by the Corporation; and (iii) shall return all Confidential Information in tangible form and in his or her possession, or will delete or destroy the same, upon the request of and as directed by, the Corporation.

Section 10.2 Exclusion from Confidentiality. Notwithstanding Section 10.1(a), Confidential Information does not include: (a) information that is or becomes generally available to the public or common knowledge other than as a result of a breach of Section 10.1(a) by a Covered

RIDOH 0566

Person; (b) information that is lawfully received by a third party with no restriction on further disclosure; or (c) information that is required to be disclosed by law or by a judicial, administrative or regulatory authority.

RIDOH 0567

8(A)-B

Care New England Health System

Compliance Program

Table of Contents

Section

I. Compliance Policy Statement..... 3

II. Purpose of Compliance Program..... 3

III. Scope of Compliance Program 3

IV. CNE Compliance Program Elements..... 4

V. CNE Code of Conduct 5

VI. Obligation to Report..... 6

VII. Compliance Officer..... 8

VIII. Corporate Compliance Committee..... 9

IX. Board Oversight..... 9

X. Education and Training..... 9

XI. CNE Compliance Communication..... 10
- Direct Access to the Compliance Office..... 10
- Compliance Hotline..... 10
- New Employee Policy..... 11
- Record Retention..... 11

XII. Investigation and Remediation..... 11

XIII. Monitoring..... 12

XIV. Corrective Action Plans..... 12

XV. Sanctions..... 13

XVI. Compliance Effectiveness Review..... 13

XVII. Summary..... 13

XVIII. Attachment A 14

RIDOH 0569

I. COMPLIANCE POLICY STATEMENT

Care New England Health System ("CNE") is dedicated to maintaining excellence and integrity in all aspects of its operations and its professional and business conduct. Accordingly, CNE is committed to conformance with high ethical standards and compliance with all governing laws and regulations not only in the delivery of health care but in its business affairs and its dealings with employees, administrative staff, physicians, agents, third party payers and the communities it serves. It is the personal responsibility of all who are associated with CNE to honor this commitment in accordance with the terms of the CNE Code of Conduct, and related policies, procedures and standards developed by CNE in connection with the Corporate Compliance Program.

II. PURPOSE OF COMPLIANCE PROGRAM

The CNE Corporate Compliance Program (the "Program") is intended to provide reasonable assurance that CNE:

- complies in all material respects with all federal, state, local laws, third party payors and regulations that are applicable to its operations;
- satisfies the conditions of participation in health care programs funded by the state and federal government and the terms of its other contractual arrangements;
- detects and deters criminal conduct or other forms of misconduct by trustees, officers, employees, medical staff, agents and contractors that might expose CNE to significant civil liability;
- promotes self-auditing and self-policing, and provides for, in appropriate circumstances, voluntary disclosure of violations of laws and regulations; and
- establishes, monitors, and enforces high professional and ethical standards.

III. SCOPE OF COMPLIANCE PROGRAM

The provisions of the Program apply to all medical, business, and legal activities performed by CNE employees, medical staff, residents, agents and contractors. The expectations for CNE employees regarding compliance with the Program are as follows:

- comply with the CNE mission statement, vision and the CNE Code of Conduct;
- familiarize themselves with the purpose of the Program;
- perform their jobs in a manner which demonstrates commitment to compliance with all applicable laws and regulations;
- report known or suspected compliance issues to the Chief Compliance Officer or his/her designee and investigate or participate in investigations to the point of resolution of all alleged violations; and
- strive to prevent errors and provide suggestions to reduce the likelihood of errors.

IV. CNE COMPLIANCE PROGRAM ELEMENTS

The CNE Compliance Program (Program) is based on the U.S. Department of Health and Human Services Office of Inspector General ("OIG") Compliance Program Guidance for Hospitals, published in February 1998 and the Supplemental Guidance published in January 2005. The Program contains several elements. All elements are designed to prevent, detect, and respond to business conduct that does not conform to applicable laws or regulations.

Initial Guidance

- **Code of Conduct** - the development and distribution of the Code and related reporting procedures, as well as the development of new or revised written policies and procedures that further promote CNE's commitment to compliance.

- **Structure and Oversight of the Compliance Program and Establishment of a Compliance Officer.**

- **Education and Training Program** – to provide general compliance information to potentially the entire employee population as well as focused technical training of those functional areas that have the ability to put CNE at a greater degree of compliance exposure.

- **Compliance Hotline** - to receive complaints confidentially and to provide protection from retaliation to all individuals who report in good faith concerns via a ***Compliance Hotline*** call or other methods of communication.

- **Sanction or Disciplinary Action Enforcement** - the enforcement of appropriate sanctions or disciplinary actions against employees, physicians, or on-site agents or contractors who violate compliance policies, applicable laws or regulations or federal health care program requirements.

- **Monitoring** - the performance of audits and risk assessments to monitor compliance and assist in the reduction of identified problem areas.

- **Investigation and Remediation** - the investigation and remediation of identified systemic problems and the development of policies addressing the non employment or retention of Medicare sanctioned individuals.

CNE intends that its Program will significantly reduce the risk of unlawful conduct in our operations. This program will demonstrate our good faith effort to comply with applicable statutes, regulations, and other Federal health care program requirements.

Supplemental Guidance

CNE operates in a complex environment, needs to recognize numerous regulatory bodies, and is exposed to various risks. Multiple individuals and groups throughout the organization are charged with managing our compliance with various agencies, such as accreditation commissions and state employment mandates. All necessary resources are engaged to fully discharge our various responsibilities throughout the organization. The Program is designed to focus on those areas of potential risk that are most relevant as a result of our participation in Federal and State healthcare

programs. Accordingly, while not an all-inclusive list, the following are addressed through the Program:

- Submission of accurate claims and the Federal False Claims Act
- Health Insurance Portability and Accountability Act Privacy and Security Rules (HIPAA)
- The referral statutes: The Physician Self-Referral Law (a.k.a. the "Stark" Law) and the Federal Anti-Kickback Statute
- The Emergency Medical Treatment and Active Labor Act (EMTALA)
- Inducements to Medicare or Medicaid beneficiaries
- Payments to reduce or limit services, including suspect gainsharing arrangements
- Quality of care which fails to meet professionally recognized standards of health care
- Billing Medicare or Medicaid substantially in excess of usual charges
- Conflict of Interest

V. CNE CODE OF CONDUCT (excerpted from the CNE Code of Conduct Policy)

The Code of Conduct contains principles articulating the policy of CNE and standards which are intended to provide additional guidance and to further clarify this policy. All employees are responsible for ensuring that their behavior and activity is consistent with the Code of Conduct.

Although the Code of Conduct is most likely to have application to employees, it also applies to all trustees, directors, employees and volunteers unless a narrower scope of applicability is specified for any specific Principle or Standard. For purposes of the Code, CNE includes Covered Individuals associated with that entity or with any of its controlled affiliates; Butler Hospital, Kent County Memorial Hospital, Women & Infants Hospital, VNA of Care New England, Care New England Wellness Centers, LLC, and HealthTouch, Inc.

Core Principles

The core principles upon which the accompanying CNE Code of Conduct are based on the following:

- Honesty in all matters;
- Compliance with applicable laws and regulations;
- Respect and consideration for other people; and
- Advancement of the best interests of the company and its affiliates.

Purpose

The Code of Conduct has been adopted by the CNE Board of Directors to provide standards by which persons acting on behalf of CNE or its affiliates should conduct themselves to protect and promote organization-wide integrity and to enhance CNE's ability to achieve its mission.

Who is covered by this policy

This policy applies to all trustees, directors, employees and volunteers of CNE and those entities controlled by CNE. (These individuals are called "Covered Individuals" in this document.) Those engaged to represent or speak on behalf of CNE or its affiliates are also expected to conduct themselves in accordance with this policy.

Code of Conduct Standards

Legal Compliance

- All Covered Individuals should comply with all applicable federal, state and local laws and regulations when acting on behalf of Care New England. If you believe you may be facing a decision involving a possible violation of these laws you should seek advice from the Office of General Counsel or the office of the Compliance Officer.

Business Ethics

- Covered Individuals must accurately and honestly represent CNE and must not engage in any activity or scheme intended to defraud anyone of money, property or honest services.

Business Relationships

- Business transactions with vendors, contractors and other third parties must be made based upon quality, price and the best interests of CNE, free from improper or extraneous influences.

Confidentiality

- Every CNE Covered Individual has an obligation under applicable legal and ethical standards to actively protect and safeguard confidential, sensitive and proprietary information and to prevent its unauthorized disclosure.

Conflicts of Interest

- Directors, trustees and officers of CNE having the rank of Associate Vice President or above owe a duty of undivided and unqualified loyalty to the organization. Persons holding such positions may not use their positions to profit personally or to assist others in profiting in any way at the expense of CNE. All such persons are expected to avoid actual or apparent impropriety which might arise from the influence of their activities on CNE's business decisions or from disclosure or private use of CNE's business affairs or plans. Covered Individuals should avoid participation in decisions regarding engagements of organizations that will create or perpetrate conflicts of interest on their part.

Protection of Assets

- All employees must strive to preserve and protect CNE's assets by making prudent and effective use of its resources and by properly and accurately reporting its financial condition.

VI. OBLIGATION TO REPORT

As an organization, we are committed to delivering superior healthcare within the appropriate regulatory framework and in compliance with all applicable laws, statutes, regulations and guidance. All members of our health system community have a fundamental responsibility to report possible compliance issues. Any CNE employee who reports suspected misconduct and does so with a reasonable belief that the activity is a violation of a state, federal, local law or regulation is protected from retaliation by our non-retaliation policy # CNE-GC-04, 9/1/2009. This policy protects employees

RIDOH 0573

from adverse actions or credible threats of adverse actions taken against them as a result of a good faith allegation of misconduct.

Reporting Procedures

Examples of Violations of the Code of Conduct

Any illegal, unethical, or improper activities need to be reported, investigated and rectified. Violations of the CNE Code of Conduct and the Compliance Program include, but are not limited to, violations of any of the following:

- medical reimbursement regulations;
- research-related regulations and policies ;
- health, safety and environmental laws;
- harassment/discrimination laws;
- conflicts of interest;
- unauthorized access and/or wrongful disclosure of confidential information;
- other HIPAA related privacy matters;
- internal accounting controls; and
- government contracts.

Disciplinary Action

Disciplinary action for violations of the Code of Conduct and other CNE policies and procedures shall be enforced through the CNE disciplinary policies and procedures. Disciplinary actions will be determined on a case-by-case basis and may include dismissal from employment. CNE will cooperate with law enforcement authorities in connection with the investigation and prosecution of the offender.

How to Report a Violation of the Code of Conduct

As a member of the CNE community, you have a responsibility to "Do The **RIGHT THING.**" It is the duty of each member of the CNE community to uphold the standards set forth in the Code of Conduct and to report violations by following the reporting procedures outlined by CNE as then in effect. Alleged violations of the Code of Conduct or other policies and procedures of CNE will be investigated by persons designated by and pursuant to procedures established by CNE.

You should report a violation of the Code of Conduct to your immediate supervisor, manager. Officers, managers and supervisors of CNE have a special duty to adhere to the principles set forth in the Code of Conduct, to support other members of the CNE community in their adherence to the Code, to recognize and detect violations of the Code, and to enforce the standards set forth herein.

If you are not comfortable talking with your supervisor or not satisfied with the answer, go to the next higher level. We encourage you to seek out another CNE resource such as Human Resources, Risk Management, General Counsel or the Compliance Office. If your previous reports have not been acted upon, or for any other reason, you should call or notify:

CNE's Corporate Compliance Officer at (401) 453-7534	
Corporate Compliance Hotline -	1-877-TELL CNE 1-877-835-5263 24 Hours, 7 Days
CNE email	cnecompliance@carene.org

Whistleblower Protections Under the Law

- **Federal Whistleblower Laws**

  In 1986, Congress added anti-retaliation protections to the False Claims Act (31 U.S.C. Sec. 3730(h)). The law provides protection against retaliation for any employee who is discharged, demoted, suspended, threatened, harassed, or discriminated against in the terms and conditions of employment for the employees legal actions involving investigation, initiation, testimony, or assistance in an action filed or to be filed under the False Claims Act. The protection against retaliation extends to whistleblowers whose allegations could legitimately support a False Claims Act case even if the case is never filed. The statue of limitations is six years in most jurisdictions.

- **State Whistleblower Protection Laws**

  The Rhode Island Whistleblower's Protection Act (R.I. General Laws § 28-50—1 to § 28-50-9) protects employees from discharge, threat, or discrimination against compensation, terms, conditions, location, or employment privileges because an employee reports or is about to report a violation, or is requested to participate in an investigation, hearing, inquiry, or court action. If the employee knows or has reason to know that the report is false, there is no protection under this law.

VII. COMPLIANCE OFFICER

The Compliance Officer ("CCO") reports to the the Board of Trustees through the Board's Audit Committee, the Chief Legal Counsel, and the President and Chief Executive Officer of Care New England (see attachment A). The CCO has primary responsibility for developing and implementing the compliance program as commissioned by the Audit Committee. The CCO is assisted by others in the Compliance Office. The CCO's primary responsibilities include:

- overseeing and monitoring the implementation of the CNE Compliance Program. The CCO will work with the CEO and appropriate hospital administrators to develop a Compliance Workplan to guide implementation of the Compliance Program;

- reporting to the Board's Audit Committee on the progress of Compliance Program implementation. Included in such reports will be new compliance issues, plans for investigation, status of previously initiated investigations, timing and adequacy of corrective action plans implemented, and designs for ongoing and future monitoring;

- performing an annual review of the Program Description and periodically revising the Compliance Program in light of changes in the needs of the organization, and in the laws and policies and procedures of government and private payor health plans and third party payors;

- developing, coordinating, and participating in an educational and training program that focuses on the elements of the Program, and ensures that all appropriate employees and management are knowledgeable of, and comply with, pertinent federal and state standards;

- ensuring that independent contractors and agents who furnish services to CNE are aware of the applicable requirements of the Program with respect to coding, billing, and marketing;

- coordinating personnel issues with CNE's Human Resource and Medical Staff Office personnel to ensure that the National Practitioner Data Bank and Cumulative Sanction Reporting have been monitored on a monthly basis with respect to all employees, medical staff and independent contractors;

- assisting CNE financial management by coordinating internal compliance review and monitoring activities, including annual or periodic reviews of certain departments that have the potential to become involved in compliance issues;

- independently investigating and acting on matters related to compliance, including the design and coordination of internal investigations that respond to reports of problems or suspected violations, and any resulting corrective action with CNE departments, providers and sub-providers, agents and, if appropriate, independent contractors. The CCO and his/her designee have the authority to review all documents and other information that are relevant to compliance activities;

- monitoring the ***Compliance Hotline*** to ensure that members of the CNE community are able to report suspected improprieties without fear of retribution, and implementing processes to investigate, resolve and document all issues reported via the ***Compliance Hotline*** or other methods of communication; and

- responding, in conjunction with General Counsel, to external agency requests regarding compliance issues.

VIII. CORPORATE COMPLIANCE COMMITTEE

CNE shall have a Corporate Compliance Committee ("Compliance Committee") that meets quarterly, comprised of representatives from appropriate clinical and administrative areas. The Compliance Committee members should have broad backgrounds and experience levels and expertise in operations, monitoring quality, service delivery and legal/regulatory compliance. The primary purpose of the Compliance Committee is to provide tactical leadership to the Program. This includes assessing risk areas, recommending audits and reviewing the results.

IX. BOARD OVERSIGHT

CNE's Board of Trustees, acting through its Audit Committee, exercises regular oversight with respect to the Program. Specific oversight activities include the following: 1) receiving reports directly from the CCO on a periodic (at least quarterly) basis; and 2) workplans, audits, and reviews of the Program effectiveness.

X. EDUCATION AND TRAINING

The CCO has developed a policy on the dissemination and implementation of the Program and other compliance education/training initiatives. The policy states that:

- All employees will be introduced to and trained in the Program, the CNE Code of Conduct and compliance policies and procedures. Such training will reinforce the need for strict compliance with the law and will advise employees that any failure to comply will be documented on the employees' performance evaluation and may result in disciplinary action.

- Within 90 days of their dates of hire, new employees will be introduced to the Code of Conduct, informed of the Program and informed of the ways in which they may access the CCO and the ***Compliance Hotline*** service.

- Focused in-service training will be provided annually to employees involved in the assignment of diagnosis and procedure codes for billing government and the party payor programs.

- CNE will make compliance training available to physicians, to the extent feasible, and will use its best efforts to encourage physician attendance and participation.

- Attendance at all training programs will be monitored, properly documented, and maintained.

- Training materials and a system to document that such training has occurred will be developed jointly by the Compliance Office and Human Resources (HR).

XI. CNE COMPLIANCE COMMUNICATION

Methods of communication for employees in order to promote prompt disclosure and investigation of potential violations of law and of the Program are as follows:

Direct Access to the Compliance Office

CNE recognizes that an open line of communication between the Compliance Office and CNE personnel is critical to the success of the Program. In addition to using ***Compliance Hotline***, members of the CNE community are strongly encouraged to report incidents of potential fraud or to seek clarification regarding legal or ethical concerns directly from the Compliance Office. The CNE Compliance Officer can be directly contacted at (401) 453-7534.

Employees who, in good faith, report possible compliance violations will not be subjected to retaliation or harassment as a result of their reports. Retribution related to reporting of compliance concerns is prohibited and anyone who engages in such prohibited activity will be subject to disciplinary action. Concerns about possible retaliation or harassment should be reported to the CNE CCO or his/her designee. All such communications will be kept as confidential as possible but there may be times when the reporting individual's identity may become known or may have to be revealed if governmental authorities become involved.

The CCO will seek advice and guidance directly from General Counsel to assist in the investigation of fraud and abuse reports concerning members of the CNE community who may have participated in illegal conduct or committed other misconduct or offenses.

Compliance Hotline – (1-877 TELL- CNE)

A key element of the CNE Compliance Program is the telephone service called the ***Compliance Hotline*** that can be accessed by dialing **1-877-835-5263**. The ***Compliance Hotline*** is a completely confidential resource that can be used anonymously to allow all members of the CNE community to voice concerns over any situation that may conflict with CNE's commitment to excellence or to report misconduct that could give rise to legal liability if not corrected. An impartial independent company transcribes information reported by callers and communicates this information to the CCO or his/her

designee so that appropriate verification, investigation and resolution can take place. A unique code is assigned to each call for follow-up communication by the anonymous caller.

A log is maintained of all ***Compliance Hotline*** calls, the results of investigations and continued monitoring, if applicable. Reports of ***Compliance Hotline*** calls, summarized by category and by operational area, will be provided at least annually to identify any significant trends or patterns for members.

The CCO provides regular reports to the Board's Audit Committee that summarizes ***Compliance Hotline*** usage as well as any material findings from investigations resulting from calls and other similar communications.

New Employee and Volunteer Policy

For new employees and volunteers, we will conduct a reasonable and prudent background investigation, including reference and criminal background check as part of the application process. The application process specifically requires the applicant to disclose any criminal conviction, as defined by federal law.

The Program prohibits the execution of contracts with companies or individuals that have been recently convicted of a criminal offense related to health care, or that are listed by a federal agency as disbarred, excluded, or otherwise ineligible for participation in federal heath care programs. In addition, pending the resolution of any criminal charges or proposed debarment or exclusion, such individuals or companies may be removed from direct responsibility for, or involvement in, any federal health care program. Prospective employees who have been officially reinstated into the Medicare and Medicaid programs may be considered for employment upon reinstatement.

With regard to current employees, volunteers, or independent contractors, if resolution of the matter results in conviction, debarment or exclusion, we will terminate our employment or contract arrangement.

Record Retention

CNE is committed to complying with the record and documentation requirements under federal or state law and to the maintenance and retention of records and documentation necessary to confirm the effectiveness of CNE's Program. Such documentation includes, but is not limited to, a ***Compliance Hotline*** log, minutes of Compliance Committee meetings, educational presentation overviews, handouts and attendance sheets and documentation of ongoing auditing and monitoring efforts.

XII. INVESTIGATION AND REMEDIATION

The CCO has the authority to investigate any potential compliance issues, and to direct others to do so and shall report the results to the President and CEO of CNE. The CCO or his/her designee will:

- promptly initiate an investigation of a potential compliance issue to make a case-by-case determination as to whether a violation has occurred. The CCO will either personally conduct the investigation or refer the complaint to a more appropriate area either within CNE or outside, such as internal or outside legal counsel, auditors or health care consultants with needed expertise. The CCO may request assistance in the investigation from the person or persons who filed a complaint, other personnel or external sources, as appropriate.

- request general counsel to participate in the investigation and provide legal advice in any such matter, as appropriate. When the investigation is referred to general counsel, the fact gathering is to be conducted under counsel's direction and control. All members of the CNE community are obligated to cooperate and to communicate with counsel in confidence.

- prepare a report of each investigation which will include documentation of the issue and, as appropriate, a description of the investigative process, copies of interview notes and key documents, a log of the witnesses interviewed and the documents reviewed, the results of the investigation, any disciplinary action and the corrective action implemented to prevent recurrence. Reports of each investigation and the status of the corrective action will be presented to CNE Board's Audit Committee on a quarterly basis, or as necessary.

- work with relevant areas within CNE to ensure return of discovered overpayments to the relevant government programs.

- report violations of criminal, civil or administrative law to the appropriate federal and/or state authority and CNE's Boards Audit Committee within a reasonable time period after determining that there is credible evidence of such violation.

XIII. MONITORING

As outlined in Section VII, one of the principal responsibilities of the CCO is to oversee and monitor the implementation of the Program. The CCO develops a Compliance Workplan to track implementation of the Program. The Compliance Workplan will include an annual identification of areas which require monitoring, with proposed timetables and personnel assignments. Progress reports of the ongoing monitoring activities, including identification of suspected noncompliance, will be maintained by the CCO and shared with the Compliance Committee, and the CNE Board's Audit Committee.

Monitoring techniques that will be used by the CCO include, but are not limited to the following:

- compliance audits focused on those areas within CNE that have potential exposure to government enforcement actions as identified in (i) Special Fraud Alerts issued by the Office of Inspector General (OIG), (ii) OIG Annual Workplan, (iii) Medicare administrative contractor reviews and (iv) law enforcement initiatives;

- periodic reviews in the areas of Program dissemination, communication of CNE's compliance standards and Code of Conduct, availability of ***Compliance Hotline*** and adequacy of compliance training and education to ensure that the Program's compliance elements have been satisfied in terms of CNE conformance. The review process will be conducted through on-site interviews and survey questionnaire completion by key management in operations, medical records, coding, billing and patient care; and

- subsequent reviews to ensure that corrective actions have been effectively and completely implemented.

XIV. CORRECTIVE ACTION PLANS

When a compliance issue that has been identified requires remedial action, the appropriate department or administrative personnel responsible for the activity should develop a corrective action plan which specifies the tasks to be completed, completion dates, and responsible parties. In developing such a plan, the responsible personnel will obtain advice and guidance from the CCO, general counsel and other appropriate personnel, as necessary. Each corrective action plan must be approved by the CCO or his/her designee prior to implementation. The CCO has the obligation to report directly to the CNE Board's Audit Committee on (i) the implementation of all corrective action plans; (ii) compliance issues for which corrective action plans have not been implemented; and (iii) the results of the corrective action plans.

A corrective action plan should ensure that the specific issue is addressed and that similar problems will not occur in other areas or departments, to the extent possible. Corrective action plans may require that compliance issues be handled in a designated way, that relevant training takes place, that restrictions be imposed on particular employees, or that the matter be disclosed externally. Sanctions or discipline, in accordance with the standard disciplinary policies and procedures of CNE may also be recommended.

XV. SANCTIONS

CNE believes that all members of the CNE community are responsible for complying with the CNE Corporate Compliance Program, Code of Conduct and related policies and procedures. Corrective action for noncompliance will be initiated by the appropriate management personnel, who must notify Human Resources in accordance with the standard disciplinary policies and procedures of CNE. Enforcement will be administered by the parties identified by the CCO in consultation with the immediate supervisor and, if appropriate, Human Resources. Disciplinary actions will be determined on a case-by-case basis and will be taken appropriately, equitably and consistently, given the underlying circumstances and the degree of negligence or reckless conduct.

Physicians who violate the Program will be disciplined in accordance with the peer review procedures established in the medical staff bylaws of CNE.

XVI. COMPLIANCE EFFECTIVENESS REVIEW

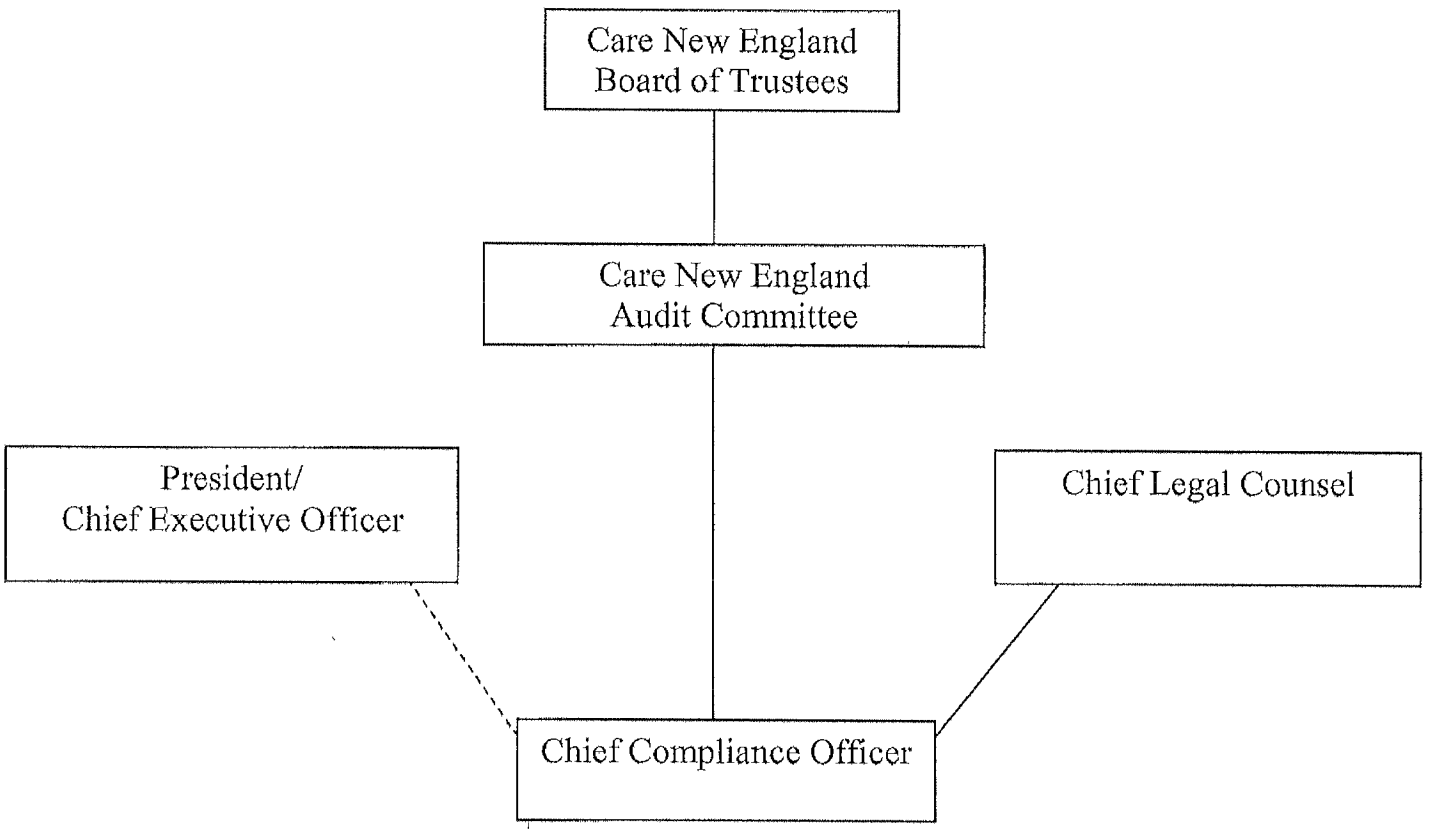
Indentify, monitor and implement New OIG guidance on an ongoing basis and present to the Audit Committee for proper approval.

Periodic reviews of the effectiveness of the CNE Compliance Program shall be conducted by outside counsel, auditors or consultants, and internal reviews coordinated by the CCO of CNE shall be conducted annually.

XVII. SUMMARY

The CNE commitment to excellence and integrity means more than just doing the best job possible. It is our commitment to **Doing The RIGHT THING.**

XVIII. Attachment A



BUTLER HOSPITAL

CNE WELLNESS CENTER

KENT HOSPITAL

VNA OF CARE NEW ENGLAND

WOMEN & INFANTS HOSPITAL

CODE OF CONDUCT

CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • WOMEN & INFANTS HOSPITAL
VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

RIDOH 0582

[redacted] LETTER FROM THE CEO

Dear Colleague:

Care New England Health System ("CNE" or "Care New England") is dedicated to building an exemplary health care system (the "Mission"). Our vision is for Care New England to be recognized nationally for quality care, academic excellence, and innovation. At Care New England, we put our patients and their families at the center of all we do. In our day-to-day interactions with patients, families, and each other, our actions and decisions are guided by the following Core Values:

Compassion	We treat everyone with understanding and caring.
New Ideas	We encourage lifelong learning, continual improvement, and innovation.
Excellence	We demonstrate unparalleled quality in all we do.
Collaboration	We work in partnership with those around us, including our patients and their families.
Accountability	We hold ourselves accountable for the impact of our decisions.
Respect	We treat each person with dignity, respecting the diverse needs of those we serve.
Ethics	We hold ourselves to the highest ethical standards

The Code of Conduct (the "Code") reflects our commitment to maintaining the highest standards of integrity, honesty and ethical responsibility in all aspects of our operations and professional and business conduct. This commitment means more than just doing the best job possible, but is our commitment to Doing The RIGHT THING. The Code has been developed to help all of us conduct our daily activities in accordance with all applicable federal, state and local laws, regulations, ethical standards and policies and procedures that govern the way we provide care and conduct business. We ask that you take the time to read and understand this Code.

If you have any questions regarding anything in this Code, or if you encounter any situation that causes you to question any conduct or conversations, you should immediately report your concern to your supervisor/manager, the Compliance Officer and/or the CNE Compliance Office Hotline (the "ComplianceLine") by dialing 1.877.[illegible] or sending an email to: cnecompliance@carene.org. We all have a duty to report any suspected ethical or compliance issues and/or other potentially improper conduct even if it does not directly involve us. Please know that when calling the ComplianceLine, you may choose to remain anonymous and confidentiality will, to the extent permitted by law, be protected if you do choose to identify yourself. Further, it is a violation of this Code for anyone to retaliate against you if you, in good faith, ask a question or raise concerns about ethics or compliance, or report conduct that may be improper.

We look to each of you, as valued members of the Care New England team, to help us carry out our Mission, provide care and conduct our business in an ethical and legal manner by Doing The RIGHT THING. Living our Core Values makes us who we are.

Best regards,

Dennis D. Keefe

Dennis D. Keefe
President and Chief Executive Officer

TABLE OF CONTENTS

Mission, Vision and Values 1
- Mission 1
- Vision 1
- Values 1

Purpose, Scope and Core Standards 2
- Purpose 2
- Scope 2
- Core Standards 2

Standards of Professional and Business Conduct 4
- Standards of Professional and Business Conduct 4
- Honest Communication 4

Compliance Program 5
- Compliance Program 5
- Reporting Structure of the Compliance Program 5
- How to Report *ComplianceLine* 5
- Disciplinary Action 7
- Certificate of Compliance Process 7

Patient Relationships 8
- Quality of Care 8
- Patient Rights 8
- Patient Health Information Protection - Under HIPAA 8
- Emergency Treatment – Under EMTALA 9
- Gifts from Patients 9

Business Conduct and Financial Information 10
- Accuracy, Retention and Disposal of Documents and Records 10
- Financial Reporting 10
- Compliance with IRS Tax-Exempt Requirements 10
- Antitrust and Unfair Competition 10
- Surveys; Accreditation 11

Coding and Billing 12
- Coding and Billing 12
- Cost Reports 12
- False Claims Act 13

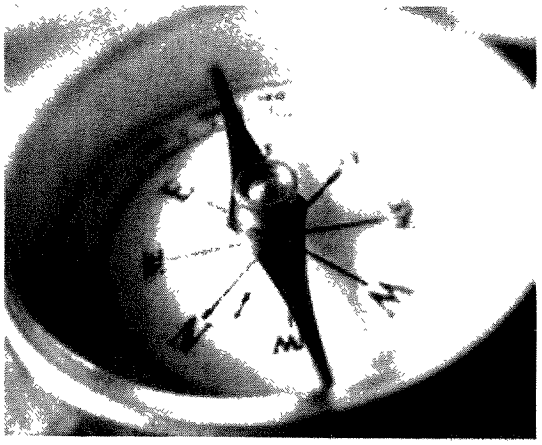
Workplace Conduct and Employment Practices 14
- Non-Discrimination and Equal Employment Opportunity 14
- Drug, Alcohol and Smoke-Free Environment 14
- Harrassment and Workplace Violence 14
- Health and Safety Environment 15
- Personal Use of CNE Resources 15
- Electronic Media and Security 15

Confidentiality 16
- Confidentiality 16

Research, Investigations and Clinical Trials 17
- Research, Investigations and Clinical Trials 17

Activities Outside of CNE 18
- Conflict of Interest 18
- Vendor Gifts, Gratuities and Business Courtesies 18
- Contracting with Vendors 19
- Travel and Entertainment 20
- Kickbacks, Referrals and Bribes 20
- Honoraria 22
- Workshops, Seminars and Training Sessions 22
- Ineligible Persons 23
- Solicitation and Distribution 23
- Political Activities and Government Relations 23

MISSION, VISION AND VALUES



Mission

Care New England Health System ("CNE" or "Care New England") is dedicated to building an exemplary health care system.

Vision

Care New England will be recognized nationally for quality care, academic excellence, and innovation.

Values

At Care New England, we put our patients and their families at the center of all we do. In our day-to-day interactions with patients, families, and each other, our actions and decisions are guided by the following Core Values:

Compassion	We treat everyone with understanding and caring.
New Ideas	We encourage lifelong learning, continual improvement, and innovation.
Excellence	We demonstrate unparalleled quality in all we do.
Collaboration	We work in partnership with those around us, including our patients and their families.
Accountability	We hold ourselves accountable for the impact of our decisions.
Respect	We treat each person with dignity, respecting the diverse needs of those we serve.
Ethics	We hold ourselves to the highest ethical standards

RIDOH 0585

PURPOSE, SCOPE AND CORE STANDARDS

Purpose

CNE is dedicated to maintaining excellence and integrity in all aspects of our operations and professional and business conduct. Accordingly, CNE is committed to conformance with the highest ethical standards and compliance with all applicable laws and regulations not only in the delivery of health care but in our business affairs and dealings with employees, administrative staff, physicians, agents, third party payers and the communities served by CNE. CNE recognizes that our reputation for integrity, honesty and ethical responsibility is essential to the continued philanthropic and community support necessary for the long-term success of CNE. This Code of Conduct (the "Code") has been adopted by the Board of Directors of CNE (the "CNE Board") as part of the CNE Compliance Program (described herein) for the purpose of demonstrating the foregoing commitments and to set forth the standards by which Individuals are expected to conduct themselves to ensure the protection and promotion of organization-wide integrity and to enhance CNE's ability to achieve its Mission. Please see "Scope" for the definition of "Individuals."

Scope

This Code applies to all directors, officers, committee members, employees, non-employed medical staff, medical students and volunteers of CNE and each of its Affiliates (hereinafter may be individually referred to as "you" or "Individual" or, collectively, the "Individuals").

In addition, those individuals or entities, including, but not limited to, any contractor, subcontractor or vendor engaged, through contract or other arrangement, to represent or act on behalf of CNE or its Affiliates must review and observe this Code to ensure that all actions are conducted in a manner that protects and promotes organization-wide integrity and enhances CNE's ability to achieve its Mission.

Who is an "Affiliate"? An "Affiliate" means each of the following: Butler Hospital ("Butler Hospital"), Kent County Memorial Hospital ("Kent Hospital"), Women & Infants Hospital of Rhode Island ("WIH"), Kent County Visiting Nurses Association (the "VNA") and each other direct or indirect subsidiary of CNE and/or an Affiliate.

What if an Affiliate and/or a department within an Affiliate adopt policies or procedures that relate to the same subject matter addressed in this Code? You are expected to become familiar with this Code and adhere to its requirements. In the event that an Affiliate and/or an department within an Affiliate adopts a policy or procedure that relates to a subject matter addressed in this Code and is applicable to your position, the more restrictive policy or procedure will prevail.

Core Standards

This Code is based on the following core standards:

- *Compliance:* Individuals are expected to comply with all applicable federal, state and local laws, regulations, ethical standards and policies and procedures.

- *Business Ethics:* Individuals are expected to accurately and honestly represent CNE and any Affiliate in all matters and must not engage in any activity or scheme intended to defraud anyone of money, property or honest services.

- *Business Relationships:* Any business transaction involving CNE or any Affiliate, including transactions with vendors, contractors and other third parties, must be based upon quality, value, terms and conditions that are in the best interests of CNE and its Affiliates and free from improper or extraneous influences.

RIDOH 0586

- *Confidentiality:* Individuals are expected to actively protect and safeguard confidential, sensitive and proprietary information of CNE and its Affiliates and to prevent unauthorized disclosure of any such information.

- *Conflicts of Interest:* Individuals are expected to avoid participation in decisions regarding engagements of organizations that will create or perpetrate a conflict of interest.

- *Protection of Assets:* Individuals are expected to strive to preserve and protect the assets of CNE and its Affiliates by making prudent and effective use of the resources of CNE and its Affiliates and, as required by an Individual's position, by properly and accurately reporting the financial condition of CNE and its Affiliates.

Standards of Professional and Business Conduct

CNE is committed to a corporate culture of compliance that promotes, through full support and encouragement of CNE and its Affiliates, an environment in which all Individuals continuously strive to perform their responsibilities and conduct their relationships with patients, families and others in a professional, honest and ethical manner and in compliance with all applicable federal, state and local laws, regulations, ethical standards and policies and procedures. All policies and procedures referenced in this Code can be found on **care**net.

Demonstrated commitment to compliance is a part of each Individual's job description and annual performance evaluation. Every Individual is expected to:

- Read, understand and adhere to this Code.
- Understand and recognize the legal, regulatory and compliance obligations, as well as any published CNE policies, that apply to your work area and job responsibilities.
- Seek guidance from your supervisor/manager, Human Resources, the Compliance Officer or the *Compliance**Line*** by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org* when you have any question about legal and regulatory obligations and policies that apply to your duties and responsibilities or when you have questions about conduct you may have seen or heard about.
- Report to your supervisor/manager, Human Resources, the Compliance Officer or the *Compliance**Line*** by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org* any suspected ethical or compliance issues and/or other potentially improper conduct (even if it does not involve you) that you believe may violate any legal or regulatory obligation or any policy.

*Individuals have a responsibility to report any suspected ethical or compliance issues and/or other potentially improper conduct. No one who takes these steps in good faith will be disciplined or be subject to retaliation. Any individual who becomes aware of retaliation action by an individual for reporting an issue and/or other potentially improper conduct should contact his or her supervisor/manager, the Compliance Officer and/or the Compliance**Line*** *by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: cnecompliance@carene.org.*

Every Individual with management responsibility is expected to demonstrate our commitment to a corporate culture of compliance to those they supervise by:

- Demonstrating a personal commitment to compliance.
- Encouraging those you supervise to raise and resolve compliance related questions without fear of retaliation by actively supporting such efforts.
- Ensuring that those you supervise are thoroughly trained and continuously educated in legal, regulatory and policy obligations that apply to their work.
- Appropriately monitoring performance to ensure that applicable legal, regulatory and policy obligations are met by those you supervise.
- Rewarding behavior that exceeds the above expectations and appropriately disciplining behavior that does not meet expectations.

Honest Communication

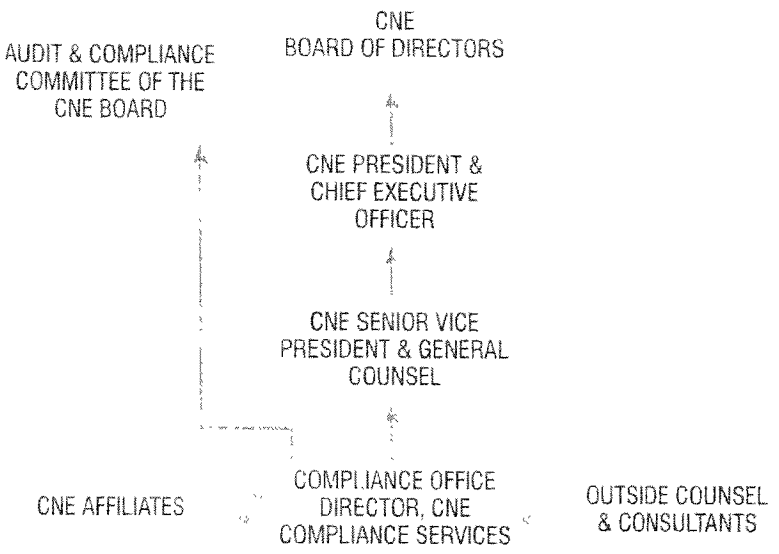
CNE, each Affiliate and others speaking on behalf of CNE or an Affiliate should exercise candor and honesty in the performance of their responsibilities and in communication with CNE's attorneys and auditors. CNE, each Affiliate and others speaking on behalf of CNE or an Affiliate must not make false or misleading statements to any patient, person or entity doing business with CNE or an Affiliate.

Compliance Program

The CNE Audit & Compliance Committee (the "Audit Committee"), which consists of at least three (3) independent members of the CNE Board is responsible for overseeing the operation and maintenance of the Compliance Program. The Director, CNE Compliance Services (the "Compliance Officer") is responsible for the day-to-day direction and implementation of the Compliance Program, which includes (i) developing and implementing policies, procedures and practices, including development and implementation of the CNE Code of Conduct; (ii) overseeing and monitoring the implementation of the Compliance Program; (iii) reviewing, updating and revising the Compliance Program, as necessary; (iv) conducting assessments of the Compliance Program; (v) developing, coordinating, and participating in training and educational programs; (vi) coordinating internal audits; (vii) reviewing, responding to, and investigating reports of non-compliance; (viii) serving as a resource across the CNE organization on substantive compliance questions and issues; and (ix) developing, overseeing and monitoring the operation of the ComplianceLine (collectively, the "Compliance Program"). The Compliance Officer provides regular reports to the Audit Committee regarding the Compliance Program and provides other reports to the Audit Committee and/or the full CNE Board as determined necessary.

Reporting Structure of the Compliance Program

The Compliance Officer reports to the Senior Vice President and General Counsel ("CNE General Counsel") on compliance matters and does so in accordance with the protocols set forth in CNE's Compliance Officer-General Counsel Communication Policy. However, the Compliance Officer has, at all times, unrestricted and direct access to the President and Chief Executive Officer of CNE (the "CNE CEO"), the Audit Committee, and/or the full CNE Board and may choose, in his or her discretion, to bypass the CNE General Counsel and report a compliance matter directly to the CNE CEO, the Audit Committee and/or the full CNE Board. Above is a basic diagram of the Compliance Program's internal organization reporting structure.



How to Report—ComplianceLine

As a member of the Care New England team, Individuals have the responsibility to *Do The RIGHT THING*. Individuals are encouraged to ask questions and have a duty to report any suspected ethical or compliance issues and/or other potentially improper conduct, even if it does not directly involve the Individual.

Individuals have an obligation to report any suspected ethical or compliance issues and/or other potentially improper conduct to their immediate supervisor/manager. Supervisors and managers, as well as officers, of CNE and its Affiliates have a special duty to adhere to the standards of this Code, to support other Individuals in their adherence to this Code, to recognize and detect violations of this Code and to enforce the standards set forth in this Code.

However, CNE recognizes that there may be situations when a question or concern cannot be properly addressed through the normal chain of command; or an Individual may feel uncomfortable talking with a supervisor/manager; or may not feel satisfied with the answer; and/or simply wishes to remain anonymous. Under such circumstances, CNE encourages Individuals to seek out another CNE resource such as Human Resources, Risk Management, or the CNE Legal Department. Additionally, Individuals are always encouraged to ask questions and/or report their concerns to the Compliance Officer and/or the CNE Compliance Office by dialing the *ComplianceLine* at 1877HELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org*.

RIDOH 0589

The *ComplianceLine* is available 24 hours a day/7 days a week and calls to the *ComplianceLine* are not recorded electronically. If an Individual calls the *ComplianceLine*, the Individual may remain anonymous and confidentiality will be, to the extent permitted by law, protected for any caller that chooses to identify themselves. Further, CNE has a strict non-retribution and non-retaliation policy. This means that no action of retaliation or reprisal will be taken against any Individual who in good faith raises any questions or reports any suspected ethical or compliance issue and/or other potentially improper conduct. *Please see CNE Policy "Problem Reporting & Non-retaliation #CNE-CC-05.*

What are some examples of ethical or compliance issues and/or improper conduct?

Ethical or compliance issues and/or improper conduct can arise in a variety of situations, such as:

- improper billing practices;
- improper referral relationships;
- unethical conduct related to research;
- non-compliance with health, safety and environmental laws;
- harassment or discrimination;
- conflicts of interest;
- unauthorized access or wrongful disclosure of confidential information;
- improper internal accounting controls; and
- non-compliance with licenses, accreditations, government contracts.

The list above is not an exhaustive list of areas where ethical or compliance issues and/or improper conduct may arise. However, we look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment to *Do The RIGHT THING.*

If I encounter a situation that I believe is improper or raises ethical or compliance issues, do I have a responsibility to report such situation?

Yes, as an Individual you have an obligation to report. In fact, knowledge of such a situation without properly reporting would also be a violation of this Code because this type of behavior would be considered willful blindness. Therefore, if you are unsure about whether something raises an ethical or compliance issue or what a law, regulation or policy means, then you should ask your supervisor/manager or the Compliance Officer. In general, it is best to ask about or report any act or omission that makes you uncomfortable or that seems to require excessive rationalization or justification. The fact that "everyone does it" is not an excuse for a violation.

If I call the ComplianceLine at 1.877.TO.DO.CNE (1.877.863.6263) to report such situation, may I remain anonymous?

Yes, calls to the *ComplianceLine* are not recorded electronically. If you choose to identify yourself, confidentiality will be protected to the extent permitted by law.

RIDOH 0590

What does it mean to raise a question or report suspected ethical or compliance issues and/or other potentially improper conduct "in good faith"?

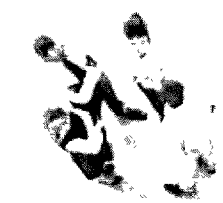
"In good faith" can be defined as a sincere belief or an honest intention; it would not include actions taken with malice or a deliberate intention to defraud or mislead.

What should I do if I feel retaliated against?

CNE will not tolerate retaliation in any form. If you feel retaliated against, you should report it immediately to the Compliance Officer and/or the CNE Compliance Office by dialing the ***ComplianceLine*** at 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org*.

Disciplinary Action

Disciplinary action for violations of this Code and other policies or procedures of CNE or an Affiliate applicable to a particular Individual will be enforced in accordance with CNE's disciplinary policies and procedures. Disciplinary actions will be determined on a case-by-case basis and may include dismissal from employment. *For more information regarding the CNE disciplinary policy and procedure, see CNE Disciplinary Process #CNE-4003.*



Certificate of Compliance Process

CNE will require all new directors, officers, committee members, employees and volunteers of CNE sign a Certificate of Compliance as part of their orientation process in which they (i) certify that they have read the Code and have had the opportunity to ask any questions with regards to its contents and understand fully how the policies relate to their position; (ii) acknowledge that it is their obligation and agreement to adhere to and be bound by the requirements set forth in the Code; (iii) certify that, throughout their association with CNE, they will continue to comply with the terms of the Code and participate in annual and other periodic, in person or on-line, compliance training as requested by CNE; and (iv) understand that violations of the Code or other policies or procedures related to their position may lead to disciplinary action, including dismissal from employment. Current directors, officers, committee members, employees and volunteers of CNE that did not sign a Certificate of Compliance as part of their orientation process may be asked to do so at an annual or other period compliance training session or during an on-line compliance training session.

RIDOH 0591

Quality of Care

CNE's goal is to provide quality health care services to all of our patients in a safe and healing environment. We treat all patients with respect and dignity and provide care that is both necessary and appropriate. In the admission, transfer or discharge of patients, and in the care we provide, we do not discriminate based on gender, race, color, creed, national origin, ancestry, sexual orientation or source of payment for care. While we strive to render care in an efficient manner, clinical care decisions are not based on any of the above classifications or on patient financial means or business economics.

Patient Rights

Each patient of CNE and its Affiliates is provided with a statement of Patient Rights and Responsibilities and a Notice of Privacy Practices. These statements include the right of patients to make decisions regarding their medical care, the right to refuse or accept treatment, the right to informed decision making and the right to privacy of their health information maintained by CNE or any of its Affiliates. These statements conform to applicable federal and state laws, including the Health Insurance Portability and Accountability Act of 1996, as amended ("HIPAA") (described in more detail below).

CNE is committed to creating a treatment environment where patients and their families will be able to understand their individual illnesses and make informed decisions concerning their medical care. Each patient or patient representative is provided a clear explanation of care, including diagnosis, treatment plan, and an explanation of the risks and benefits associated with each available treatment. Patients receive care from appropriately licensed and credentialed professionals.

Patient Health Information Protection—Under HIPAA

HIPAA requires that officers, employees and contractors of CNE and its Affiliates are each responsible for maintaining the confidentiality of all patient and employee protected health information ("PHI").

In accordance with our information access and HIPAA policies and procedures, employees, affiliated physicians or other business associates (as defined by HIPAA and included in CNE policies) may access patient information only to the extent necessary to perform their jobs. Unless authorized by law or by the patient, only individuals who require patient information to furnish care, perform quality control activities, bill or collect payments for services, or furnish other administrative services are permitted access to PHI.

Any unauthorized disclosure of PHI, which reasonably compromises the security or privacy of PHI is a potential breach that must be appropriately addressed. If you become aware of a breach or potential breach of any protected or sensitive information, it is necessary that the situation be immediately reported to your supervisor/ manager, the CNE Security and Privacy Officer, the Compliance Officer and/or the ***ComplianceLine*** by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org* so that all federal and state notification requirements may be carried out by CNE's Risk Management and Compliance Services. If the disclosure of the PHI results in a breach of information, CNE investigates and complies with all federal and state, regulations. Failure to immediately report may subject CNE to fines and penalties under HIPAA.

What if I accidentally disclose PHI, such as sending a fax to an incorrect fax number?

Any instance of misdirected PHI should be immediately reported to the CNE Privacy Officer, the CNE Compliance Officer and/or the ***ComplianceLine*** by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org* and you should be prepared to provide detailed information about what PHI was involved so that an appropriate review can be completed.

RIDOH 0592

Emergency Treatment -Under EMTALA

CNE's hospital Affiliates follow all applicable laws and regulations, including the Emergency Medical Treatment and Active Labor Act ("EMTALA"), in providing an emergency medical screening examination and (if necessary) stabilization to all patients, regardless of ability to pay. Provided we have the capacity and capability, anyone with an emergency medical condition is treated. In an emergency situation or if the patient is in labor, we will not delay the medical screening and necessary stabilizing treatment in order to seek financial and demographic information. We do not admit, discharge or transfer patients with emergency medical conditions simply based on their ability or inability to pay or any other discriminatory factor. Patients with emergency medical conditions are only transferred to another facility at the patient's request or if the patient's medical needs cannot be met at the CNE facility (e.g., we do not have the capacity or capability) and appropriate care is knowingly available at another facility. Patients are only transferred in strict compliance with state and federal EMTALA regulatory and statutory requirements.

Gifts from Patients

Individuals may not solicit tips, personal gratuities or gifts from patients or accept monetary gratuities, but may accept other gratuities and gifts having a value not exceeding $50.

Accuracy, Retention and Disposal of Documents and Records

CNE and each Affiliate is responsible for the integrity and accuracy of all documents and records related to CNE and any Affiliate. This responsibility is important not only to comply with any applicable federal and state laws and regulations but also to ensure that the necessary documents and records are available to support our business practices and actions. No one may alter or falsify information on any document or record. Records must never be destroyed in an effort to deny governmental authorities that which may be relevant to a government investigation.

Medical and business documents and records are retained in accordance with the law and our record retention policy, which includes comprehensive retention schedules. "Medical and business documents" include, but are not limited to, paper documents such as letters and memos, computer-based information such as e-mail or computer files on disk or tape, and any other medium that contains information about CNE, an Affiliate or its/their business activities. It is important to retain and destroy records only according to our record retention policy. Individuals must not tamper with any medical or business documents or records. Finally, under no circumstances may any Individual use patient, colleague or any other individual's or entity's information for their personal benefit (e.g. perpetrate identity theft). *For more information regarding CNE's document retention policies, see CNE Policy Retention of Records #CNE-CC-11 and CNE Policy Legal Holds and Non-Destruction of Records #CNE-RM-01.*

Financial Reporting

CNE has established and maintains a high standard of accuracy and completeness in documenting, maintaining, and reporting financial information. This information serves as a basis for managing our business and is important in meeting our obligations to patients, colleagues, suppliers, and others. It is also necessary for compliance with tax and financial reporting requirements. All financial information must reflect actual transactions and conform to generally accepted accounting principles. All funds or assets must be properly recorded in the books and records of CNE and its Affiliates, as applicable. CNE maintains a system of internal controls to provide reasonable assurances that all transactions are executed in accordance with management's authorization and are recorded in a proper manner so as to maintain accountability of the organization's assets.

Compliance with IRS Tax-Exempt Requirements

CNE and certain of its Affiliates are tax-exempt, charitable organizations. As such, CNE and its Affiliates have a legal and ethical obligation to act in compliance with federal, state and local laws applicable to tax-exempt entities, to engage in those activities that will further their charitable purposes, and to ensure that their resources are used in a manner that furthers the public good, rather than the private or personal interests of any individual or entity. As a result of those obligations, CNE and its Affiliates will not enter into any compensation arrangement that is in excess of fair market value, will accurately report required information to appropriate taxing authorities and will file all tax and information returns in a manner consistent with applicable laws.

Antitrust and Unfair Competition

Individuals are expected to comply with laws regulating competition and trade practices. CNE has strict restrictions on communications with competitors. Generally, Individuals are not to discuss with competitors non-public "competitively sensitive topics," such as: information regarding CNE's or any Affiliate's competitive position or business strategies, payment and reimbursement information, and information relating to negotiations with employees or third parties. Discussions about these types of topics should be protected and shared only with those Individuals who need to know the information to perform their job.

RIDOH 0594

What kind of practices might be considered anti-competitive behavior or an unfair business practice?

Because the antitrust laws are so complex and their application can depend upon the conditions in local markets, we cannot specifically tell you what practices might be considered anti-competitive behavior or an unfair business practice; however, generally we should not engage in any of the following practices:

- do not discuss or agree with any competitor to raise, lower, fix, stabilize or in any way affect fees, prices, or costs of services;
- do not discuss or agree with any competitor to limit the quality or quantity of services provided;
- do not discuss or exchange any information with any competitor regarding market power, market shares, or ways to dominate the market;
- do not compare or otherwise discuss with any competitor contract negotiations involving other competitors;
- do not discuss ways to eliminate or reduce competition or ways to exclude other competitors;
- do not propose refusals to deal with or boycotts of particular competitors; and
- do not discuss or agree with any competitor to divide or allocate markets or consumers.

If you have questions, we encourage you to consult with your supervisor/manager or the CNE Legal Department for guidance.

Survey Specialists

From time to time, government agencies, accrediting bodies and other entities conduct surveys in our facilities. In preparation for or in doing a survey or inspection, Individuals will conduct themselves in a direct, open and honest manner and must never conceal, destroy or alter any documents. Individuals should not take any action in relationships with accrediting bodies that would, directly or indirectly, mislead the accreditor or its survey teams and Individuals must never attempt or cause another Individual to fail to provide accurate information or obstruct, mislead or delay the communication of information or records relating to a possible violation of law.

RIDOH 0595

Coding and Billing

CNE is committed to honesty, accuracy and integrity in all billing, coding and documentation activities of CNE and each Affiliate and compliance with all applicable federal and state laws related to billing, including, but not limited to the Federal False Claims Act (described below). As a result, CNE and each Affiliate:

- will only submit for payment or reimbursement claims for services actually rendered and that are documented in a patient's medical record and using billing codes that accurately describe the services provided and supported by applicable medical necessity requirements; and
- will not submit any claim for payment or reimbursement that is false, fraudulent, inaccurate or fictitious.

What are some examples of unethical or non-compliant billing practices?

Unethical or non-compliant billing practices include:

- billing for items not provided or services not actually rendered;
- billing twice for the same service or item (i.e. double billing);
- upcoding (i.e. billing for a service at a rate higher than that warranted by the services actually performed and documented);
- billing for services or items that do not meet "medical necessity" criteria;
- unbundling (i.e. separately billing for services or items that should be included in a global or composite rate);
- billing Medicare/Medicaid for services or items that are not reimbursable under those programs;
- billing Medicare patients higher charges than non-Medicare patients;
- submitting false cost reports and cost shifting;
- failing to refund credit balances; and
- giving or paying to, or soliciting or accepting from potential referral sources.

The list above is not an exhaustive list of unethical or non-compliant billing practices that may arise. As a result, we look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment to *Do The RIGHT THING.*

Cost Reports

CNE is required by federal and state laws and regulations to submit certain reports of our operating costs and statistics. CNE has complied, and will continue to comply, with all applicable federal and state laws, regulations, and guidelines relating to all cost reports. These laws, regulations, and guidelines define the cost of services provided to program beneficiaries.

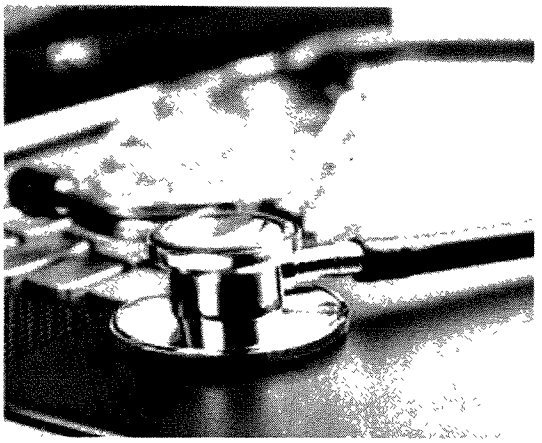
RIDOH 0596

False Claims Act

The Federal False Claims Act, 31 U.S.C. §§ 3729-33, prohibits the knowing and/or intentional use of false or fraudulent claims, records, or statements for the purposes of obtaining payment from the government. This law applies to Medicare and Medicaid reimbursement and prohibit, among other things, billing for services not rendered, billing for undocumented services, falsifying cost reports, billing for medically unnecessary services, assigning improper codes to secure reimbursement or higher reimbursement, and participating in kickbacks. The Federal False Claims Act, as well as its state law counterpart (Chapter 9-1.1 of the State of Rhode Island General Laws), seeks to prohibit fraud against Medicare and other federally funded health care programs and a violation of these laws may result in civil, criminal and/or administrative penalties, including monetary penalties, imprisonment, exclusion from participation in Medicare and/or Medicaid and loss of licensure status.

Additionally, the Federal False Claims Act allows private citizens to file a lawsuit on behalf of the government and to share in a percentage of any monetary recovery or settlement. The Federal False Claims Act, and this Code, prohibits retaliation against Individuals, agents or contractors because of their initiation of, or participation in a lawful false claims investigation, report, claim or proceeding. *For more information regarding the False Claims Act, please see CNE Providing Information About the False Claims Act #CNE-CC-14.*

If you become aware of any actual or perceived false claim, misrepresentation, inaccuracy or problem in billing, coding or documentation, it is necessary that the situation be immediately reported to your supervisor/manager, the Compliance Officer and/or the ***ComplianceLine*** by dialing 1.877.DIALCNE (1.877.836.2263) or sending an email to: cnecompliance@carene.org.



Non-Discrimination and Equal Employment Opportunity

CNE recognizes people are our greatest asset. Our organization's ability to deliver quality patient care is directly related to the skills and abilities of our employees, medical staff and volunteers. To promote diversity and equality in our workplace, we must all support the following standards:

- CNE provides an equal opportunity work environment where everyone is treated with fairness, dignity and respect; and
- In all of our personnel actions, we will comply with all applicable laws and regulations related to nondiscrimination. Specifically, there will be no discrimination against any person due to race, color, religion, sex, national origin, age, disability, genetic information, sexual orientation or any other protected status.

Drug, Alcohol and Smoke-Free Environment

To protect the interests of our employees and patients, we are committed to an alcohol and drug-free work environment. All Individuals must report to work free of the influence of alcohol and illegal drugs. Reporting to work under the influence of any illegal drug or alcohol, having an illegal drug in your system, or using, possessing, or selling illegal drugs while on CNE work time or property may result in termination. We may use drug testing as a means of enforcing this policy.

CNE recognizes that individuals may be directed by a physician to take prescription drugs that could impair judgment or other skills required in job performance. For employee and patient safety, if you believe a medication, either prescribed or over the counter, may impair your judgment or job performance, you must notify your supervisor/manager. If you have questions about the effect of such medication on your performance, consult with your supervisor/manager and your physician.

CNE is committed to creating a smoke-free environment for all employees, medical staff, students, volunteers, patients and visitors—both inside and outside of our facilities. A smoke-free environment will provide a healthier environment for employees, visitors and patients, and will underscore our commitment to support the health of our employees, patients and community.

Harassment and Workplace Violence

CNE believes that all employees should be able to enjoy a workplace free from violence, harassment and threats. CNE will not tolerate such incidents and will take appropriate responsive action, including disciplinary action.

Does workplace violence only include physical attacks?

No. CNE will not tolerate any type of workplace violence which includes not only physical attacks but threats (direct, conditional or veiled), harassing behaviors and/or property damage.

Does harassment only include sexual harassment?

No. Sexual harassment is one form of conduct prohibited by CNE; however, harassment may include behavior or communications designed or intended to intimidate, menace or frighten another person through any medium.

For more information regarding the CNE harassment and workplace violence policies, see CNE Workplace Violence #CNE-4002, and see CNE Sexual Harassment #CNE-4001.

If you observe or experience any form of harassment or violence, it is necessary that you immediately report any such harassment or violence to your supervisor/manager, CNE Security, the Compliance Officer and/or the *Compliance**Line*** by dialing 1.877.TELLCNE (1.877.835.5263) or sending an email to: *cnecompliance@carene.org*.

Health and Safety; Environment

CNE and its Affiliates will comply with all federal, state and local laws and regulations applicable to workplace health and safety. Individuals are expected to immediately advise their supervisor/manager of any workplace injury or any situation presenting a danger of injury so timely corrective action may be taken to resolve the issue.

CNE is committed to promoting sound environmental practices related to our operations that will prevent damage to the environment, enhance human and community resources and reduce or avoid exposure to environmental hazards. CNE and its Affiliates will comply with all applicable environmental laws and operate our facilities with the necessary permits, approvals and controls. CNE and its Affiliates will employ proper procedures with respect to handling and disposing of hazardous and bio hazardous waste. Individuals are expected to (i) strive to use resources efficiently; (ii) recycle when possible; (iii) properly dispose of waste; and (iv) work with authorities, as necessary, to remedy any contamination.

Personal Use of CNE Resources

It is the responsibility of each Individual to preserve the assets including time, materials, supplies, equipment, and information of CNE and each Affiliate. Assets are to be maintained for business-related purposes. As a general rule, Individuals must refrain from using the assets of CNE or any Affiliate for their own personal use. This includes the unauthorized use or taking of equipment, supplies, materials or services. Individuals must obtain authorization from an appropriate manager before engaging in any activity during working time which results in being paid for personal or non-work related use of the assets of CNE or any Affiliate. Any community or charitable use of our resources must be approved in advance by your supervisor/manager. Any use of resources for personal financial gain unrelated to the organization's business is prohibited.

Electronic Media and Security

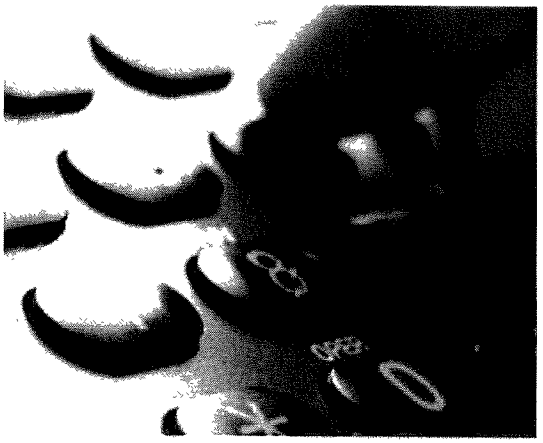
All communications systems, including, but not limited to, computers, electronic mail, intranet, internet access, telephones, and voice mail, are the property of CNE and are to be used primarily for business purposes in accordance with CNE's electronic communications policies and standards. Limited reasonable personal use of CNE communications systems is permitted; however these communications are not private. Users of computer and telephonic systems should presume no expectation of privacy in anything they create, store, send, or receive on the computer and telephonic systems, and CNE reserves the right to monitor and/or access communications usage and content consistent with system policies and procedures.

Individuals may not use internal communication channels or access to the Internet at work to view, post, store, transmit, download, or distribute any threatening materials; knowingly, recklessly, or maliciously false materials; obscene materials; or anything constituting or encouraging a criminal offense, giving rise to civil liability, or otherwise violating any laws. Also, these channels of communication may not be used to send chain letters, personal broadcast messages, or copyrighted documents that are not authorized for reproduction.

Individuals who abuse our communications systems or use them excessively for non-business purposes may lose these privileges and be subject to disciplinary action.

Individuals will comply with CNE's information security policies and standards governing the use of information systems. Individuals may only use officially assigned User IDs and passwords and are prohibited from sharing or disclosing any password that is used to access CNE systems or information. Portable devices and removable media, such as laptop computers, PDAs, USB drives, CDs and external hard drives, should be physically secured at all times. Individuals will never use tools or techniques to break or exploit CNE information security measures or those used by other companies or individuals.

RIDOH 0599



Confidentiality

In addition to maintaining the confidentiality of all patient and employee protected health information under HIPAA (as described above), Individuals may come in contact with information, documents, agreements, reports, work-product, analysis, compilations, studies or any other data of CNE and/or an Affiliate ("Confidential Information") during the course of their service with CNE and/or an Affiliate. Unless you have written consent of CNE or an Affiliate, you must maintain in confidence, and not disclose to any person or entity, or make any copy of or reproduce in any form or otherwise publicize, any Confidential Information. No Confidential Information may be used to compete with, obtain an advantage against or use adversely to CNE or an Affiliate or be used in any other manner that would create a conflict of interest (as described above).

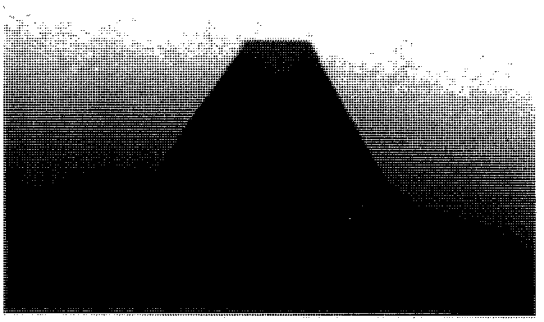
What are some examples of Confidential Information?

Confidential Information may include, but is not limited to:

- personnel data maintained by CNE or an Affiliate;
- patient lists, clinical information and patient programs;
- patient financial information;
- physician lists;
- employee information;
- passwords;
- pricing and cost data;
- details regarding federal, state and/or local tax examinations;
- research data;
- strategic plans;
- marketing strategies, operational plans and techniques;
- supplier and subcontractor information;
- information regarding business processes and practices;
- proprietary information (e.g. patents, trademarks, copyrights, software); and
- information regarding financial and billing matters.

This list is not an exhaustive list of Confidential Information. As a result, we look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment to *Do The RIGHT THING.*

RESEARCH, INVESTIGATIONS AND CLINICAL TRIALS



Research, Investigations and Clinical Trials

CNE and each Affiliate follows high ethical standards and complies with federal and state laws and regulations with respect to any research, investigations and clinical trials conducted by our physicians and professional staff. Additionally, CNE and each Affiliate has, and will continue to update and implement all necessary policies and procedures related to any research, investigations and clinical trials conducted by our physicians and professional staff. CNE does not tolerate intentional research misconduct. Research misconduct includes, but is not limited to, entering fictitious results, inaccurately editing or copying results from other studies without performing the clinical investigation or research.

The rights of any patient participating in clinical investigations or research projects are at all times protected and respected during such clinical investigation or research project. All patients asked to participate in a clinical investigation or research projects are given an explanation of alternative services that might prove beneficial to them. They are also fully informed of potential discomforts and are given a full explanation of the risks, expected benefits and alternatives. Patients are fully informed of the procedures to be followed, especially those that are experimental. Refusal of a patient to participate in a research study will not compromise his or her access to services. Informed consent to participate in clinical investigations or research is documented and retained pursuant to CNE policies, and the CNE Institutional Review Board (IRB) must be involved in reviewing all research projects.

RIDOH 0601

Conflicts of Interest

Each Individual has a responsibility to act at all times in the best interests of the organization and its patients and is prohibited from using information obtained as a result of his or her position for personal financial gain or to assist others in profiting in any way at the expense of the organization. All potential conflicts of interest of an Individual should be disclosed to supervisors/ managers upon hire and as they occur, this would include any additional employment accepted while employed by CNE or an Affiliate. All potential conflicts of interest of a director, officer and member of a committee of CNE and/or an Affiliate should be disclosed to the CNE Board or its designee prior to election or appointment and as they occur and in accordance with CNE's Conflicts of Interest and Confidentiality Policy.

What are some examples of a potential conflict of interest?

Conflicts of interest can arise in a variety of situations, such as:

- you accept outside employment in an organization that does business with CNE or an Affiliate or a competitor of CNE or an Affiliate and such employment interferes with your commitment to CNE's standards of professional and business conduct;
- you or an immediate family member has a material financial interest in an organization that does business with CNE or an Affiliate or a competitor of CNE or an Affiliate where the material financial interest may affect your decisions or actions;
- you or your immediate family member uses any confidential information about CNE or an Affiliate for personal gain or to benefit others;
- you or your immediate family member appropriates for personal use the benefit of any CNE or an Affiliate business venture, which business venture is learned while you are an Individual; or
- you or your immediate family member accepts gifts from any person or organization doing or seeking to do business with CNE or an Affiliate.

The above list is not an exhaustive list of areas where conflicts of interest may arise and this Code addresses additional areas below (i.e. vendor gifts, gratuities and business courtesies and contracts with vendors). As a result, we look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment to *Do The RIGHT THING.*

Vendor Gifts, Gratuities and Business Courtesies

Individuals must not solicit anything of value (including, but not limited to, gifts, gratuities and business courtesies) from vendors, contractors, subcontractors or potential business affiliates.

Individuals must not accept cash, or the equivalent of cash, from vendors, contractors, subcontractors or potential business affiliates.

Individuals must not accept anything of value (including, but not limited to, gifts, gratuities and business courtesies) from vendors, contractors, subcontractors or potential business affiliates if such acceptance (taking into account the importance of CNE's and its Affiliates' reputation in the community) (1) is intended, or could be

RIDOH 0602

construed, to influence business opportunities awarded to any such vendor, contractor, subcontractor or potential business affiliate; (2) would result in the appearance of impropriety; or (3) would be contrary to the interests of CNE or its Affiliates.

If acceptance of a gift, gratuity or business courtesy would not involve any of the above, then an Individual may accept an item of value that is not excessive or extravagant. However, you are expected to become familiar with any more restrictive policy or procedure related to vendor gifts, gratuities and business courtesies that may be adopted by an Affiliate and/or a department within an Affiliate and which may be applicable to your position. We look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment to *Do The RIGHT THING*. If you are unsure about whether you should accept a gift, gratuity or business courtesy, then you should ask your supervisor/manager or the Compliance Officer. Managers may also seek guidance from the CNE General Counsel when making judgments about what to authorize.

CNE also prohibits Individuals from giving anything of value to persons or businesses in a position to influence the referral of business, including patients and other customers, to CNE or any Affiliate. Customary business inducements such as appropriate commissions, rebates, discounts and allowances are acceptable if they are approved by management of CNE or an Affiliate, as appropriate, and provided they are not illegal or unethical. Such payments must be reasonable in value, competitively justified and properly documented. Furthermore, any such payments must be made to the business entity and not to individual employees or agents of the business.

A vendor has invited me to dinner after my attendance at a seminar, may I attend?

It is not unusual for vendors to invite representatives of customers and prospective customers to lunch or dinner during or after a seminar or other education event. In addition to attending an event that had an independent business purpose, the lunch or dinner may provide the opportunity to meet other experts employed by the vendors as well as their clients, and thus has a value from a networking point of view. Accepting the lunch or dinner would be acceptable if it does not involve any of the above threshold criteria and would be consistent with any other applicable Affiliate and/or department of an Affiliate policy.

I received a fruit basket or similar item from a vendor on my birthday or another holiday, is this okay?

Not if the value of the item, alone or together with other items received from the vendor, is excessive or extravagant, or could influence me with respect to business opportunities, result in an appearance of impropriety or be contrary to the interests of CNE or its Affiliates. If feasible, contributing the gift to a hospital or other charity or raffling it to employees might be an appropriate alternative, with the approval of your manager.

I received a gift certificate from a vendor on my birthday or another holiday, is this okay?

No. Gift certificates and restaurant certificates seem little different than cash. You should thank the vendor and return the gift certificate.

If you have questions regarding the appropriateness of gifts, gratuities and/or business courtesies, please contact the Compliance Officer and/or the CNE Compliance Office by dialing the ***ComplianceLine*** at 1.877.TELCNE (1.877.835.5263) or by sending an email to: *cnecompliance@carene.org*.

Contracting with Vendors

All business relationships with vendors must be conducted at arms' length. This means Individuals have a responsibility to:

- avoid using "insider" information for any business activity conducted on behalf of CNE or an Affiliate;
- disclose activities with vendors, both personal and business, which may appear to be influential;

RIDOH 0603

- obtain clarification from management when questionable issues arise; and
- comply with the conflict of interests policy.

Travel and Entertainment

It is a policy of CNE that employees should not suffer a financial loss or a financial gain as a result of business travel and entertainment that is conducted as part of their service to CNE and/or an Affiliate. In order to maintain this policy:

- travel and entertainment expenses should be consistent with the individual's responsibility and CNE's needs and resources;
- individuals should exercise good judgment and integrity in the use of CNE's assets and spend them as carefully as they would spend their own;
- individuals must comply with CNE's policies relating to travel and entertainment expense; and
- with the exception of the individuals serving as the President and Chief Executive Officer of CNE, Butler Hospital, Kent Hospital, WIH and the VNA, travel and entertainment expenses requiring approval will be approved by the person to whom the individual reports.

Travel and entertainment expenses of the individuals serving as the President and Chief Executive Officer of CNE, Butler Hospital, Kent Hospital, WIH and the VNA will be approved by the Chief Financial Officer of CNE, with any unresolved issues to be resolved by the Senior Vice President and General Counsel of CNE. All travel and entertainment expense of such President and Chief Executive Officers, whether or not requiring approval, will be reviewed quarterly by the Chairman of the Finance Committee of the CNE Board, and by the independent auditors of CNE as part of the annual financial audit.

Kickbacks, Referrals and Bribes

In general, the federal Stark Law, 42 U.S.C. § 1395nn(a)(1)(A) (the "Stark Law") prohibits a physician that has a financial relationship with a hospital from referring patients to that hospital for designated health services. The Stark Law further prohibits the hospital from billing for any designated health services furnished pursuant to a prohibited referral. The federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7b (the "Anti-Kickback Statute") prohibits any entity or individual from knowingly and willfully paying or offering to pay, soliciting, or receiving anything of value in exchange for patient referrals. These federal laws, as well as their state law counterparts, govern our relationships with physicians and any business arrangement related directly or indirectly to items or services reimbursable by a federal healthcare program, including, but not limited to, Medicare and Medicaid. As a result, CNE and each Affiliate:

- will not pay or offer to pay for referrals—patient referrals and admissions will be based solely on the patient's medical needs and our ability to render the needed services;
- will not accept payments for referrals—Individuals are prohibited from soliciting or receiving anything of value, directly or indirectly, in exchange for the referral of patients;
- will not take into account the volume or value of referrals that a provider has made (or may make) when establishing business arrangements with a vendor, supplier or referral source; and
- will only pay for services or items provided and will not pay in excess of fair market value for such services or items.

What types of arrangements might implicate the Stark Law and/or Anti-Kickback Statute?

The following types of arrangements with physicians, other referral sources or items or services reimbursable by a federal healthcare program may implicate the Stark Law and/or Anti-Kickback Statute:

- excessive payments for medical directorships;

RIDOH 0604

- free or below market rents or fees for administrative services;
- interest-free loans;
- excessive payment for intangible assets in physician practice acquisitions; and
- joint ventures.

In other words, the Stark Law and Anti-Kickback Law can encompass a wide-variety of arrangements and may give rise to risk under other federal and state laws; therefore it is important to be familiar with these laws.

What does "anything of value" mean under the Anti-Kickback Statute?

The Anti-Kickback Statute is very broad and covers all situations in which something is provided either free of charge or at a reduced cost to any potential referral source (i.e. physicians, DME or other suppliers, nursing homes, and other providers). "Anything of value" may include the following items or services when provided free of charge or at a discount:

- equipment (e.g. microscopes, centrifuges, computers);
- office space;
- personnel services (e.g. nurses, phlebotomists, secretaries);
- CME (or other educational programs);
- recruitment incentives;
- health benefits; and/or
- many other goods and services.

What are "designated health services" under the Stark Law?

Under the Stark Law there are eleven (11) categories of designated health services:

- clinical laboratory services;
- physical and occupational therapy services;
- outpatient speech-language pathology services;
- radiology and certain other imaging services;
- radiation therapy services and supplies;
- durable medical equipment and supplies;
- parenteral and enteral nutrients, equipment and supplies;
- prosthetics, orthotics and prosthetic devices and supplies;
- home health services;
- outpatient prescription drugs; and
- inpatient and outpatient hospital services.

RIDOH 0605

To ensure compliance with these laws, all agreements need to be documented, compensation should be determined in advance and be consistent with fair market value. While it is not necessary to request CNE's Legal Department to review every agreement before it is finalized; we look to you, as a valued member of the Care New England team, to act in an ethical and legal manner and exercise good judgment in general business contracting matters and request a legal review when (i) the agreement involves physicians, other referral sources or items and services reimbursable by a federal healthcare program; or (ii) you are unsure whether an agreement is appropriate or legal.

Honoraria

Recognizing the interest of CNE in academic medicine, physician employees are encouraged to participate as faculty and speakers at educational programs and functions after obtaining the permission of their supervisor/ manager. However, honoraria exceeding one hundred dollars ($100) must be turned over to the CNE entity employing such physician unless such physician employee used paid time off to attend the portion of the program for which the honorarium was paid or unless a departmental policy to which the physician employee is subject and which has been approved by the executive management of the CNE entity employing such physician provides otherwise.

Workshops, Seminars and Training Sessions

Employees may attend local (i.e. not requiring airline travel or an overnight stay) vendor sponsored workshops, seminars and training sessions. However, employees must obtain the approval of their supervisor/manager before attending an out of town seminar, workshop or training session at a vendor's expense. The topic must be relevant to the employee's job role.

Ineligible Persons

Neither CNE nor any of its Affiliates contract with, employ or bill for services rendered by an individual or entity that is excluded or ineligible to participate in federal and/or state health programs; has been suspended or debarred from government contracts; or has been convicted of a criminal offense related to the provision of health items or services and has not been reinstated in a health program after a period of exclusion, suspension, debarment or ineligibility, provided that we are aware of such offense. CNE screens all employees, medical staff physicians and vendors on a monthly basis. *For more information regarding the CNE policy related to ineligible persons, please see Policy #CNE-CC-01.*

Solicitation and Distribution

Individuals are prohibited from soliciting any patients or family members and are prohibited from distributing any materials (unrelated to their health) to any patients, guests or family members. Individuals may not solicit during working time for any purpose. Individuals may not solicit any other Individual unless both the Individual soliciting and the Individual(s) being solicited are both on non-working time (breaks, meal time, before or after work) and only solicit in those areas permitted by the policy.

Political Activities and Government Relations

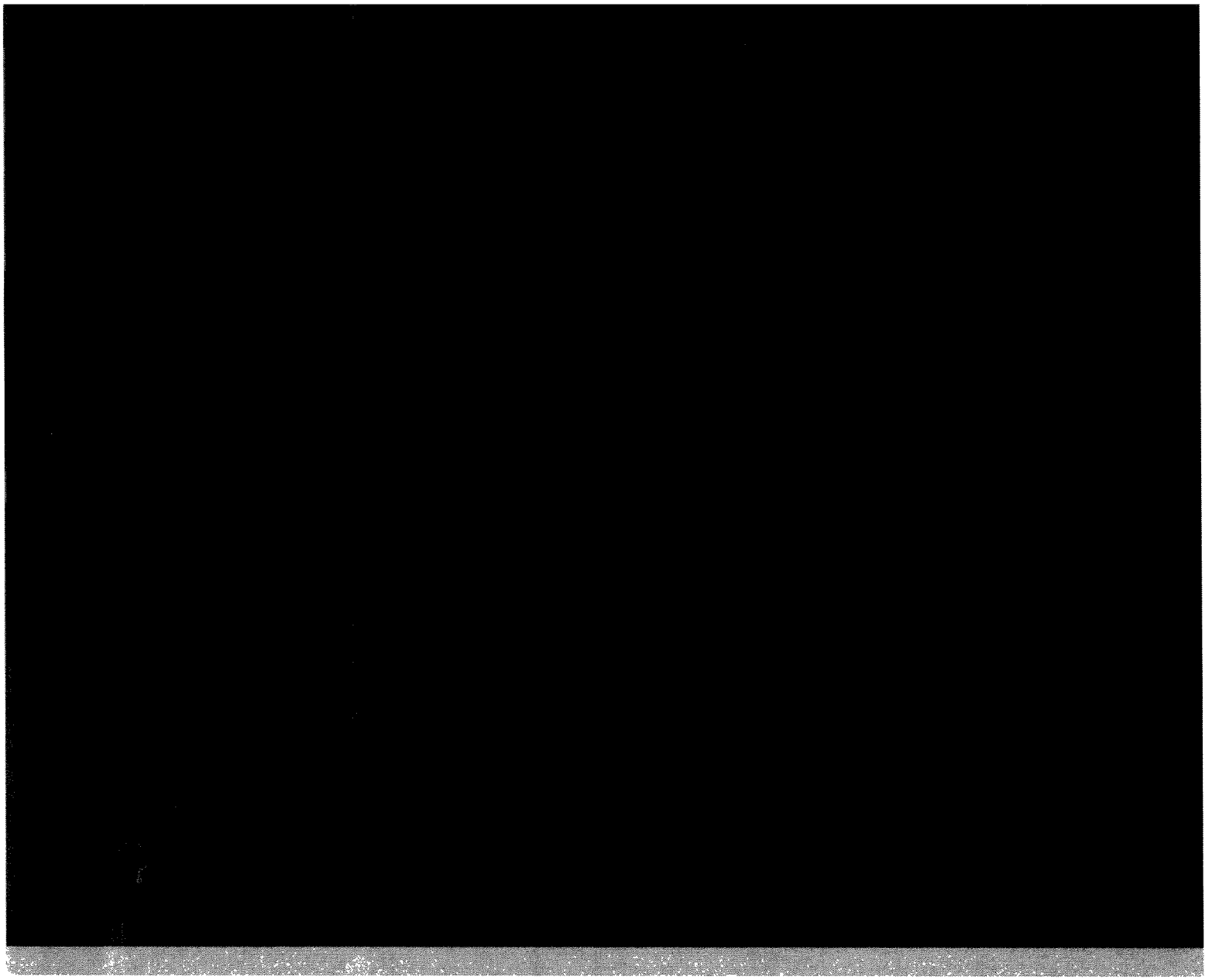
As described above, CNE and certain of its Affiliates are charitable organizations and as such are prohibited from intervening in any political campaign on behalf of or in opposition to any candidate for public office (e.g. lobbying or supporting specific candidates for office, reimbursing individuals for political contributions) and are limited in the manner in which they may participate in legislative activities (e.g. CNE may offer recommendations and take public positions on legislation, regulations or current issues that are related to CNE's operations where that might contribute to the understanding of the issues).

To ensure compliance with the laws, only CNE management may speak on behalf of CNE with respect to political issues including, but not limited to, pending legislation. Individuals must refrain from any appearance that (i) they are speaking for CNE in expressing their beliefs or positions on political issues in public forums; or (ii) they are providing any gifts, meals or gratuity to a public office on behalf of CNE.

CNE encourages Individuals to participate, on their own behalf, in the political process at all levels of government and does not restrict Individuals from making contributions in accordance with campaign finance law at their own expense.

If you are contacted by anyone regarding CNE's or an Affiliate's position on a public issue, direct him or her to CNE's Department of Marketing and Public Relations at 401-681-2815.

RIDOH 0606



CARE NEW ENGLAND

BUTLER HOSPITAL • KENT HOSPITAL • WOMEN & INFANTS HOSPITAL
VNA of CARE NEW ENGLAND • CNE WELLNESS CENTER

EXHIBIT 9 Table of Contents

Tab	Description	Bates Number
9-A	MHRI Financial Statements	
	MHRI Financial Statements Index	RIDOH 0609
9-B	CNE Financial Statements	
	CNE Financial Statements Index	RIDOH 0768

MHRI Financial Statements Index

MHRI Parent unaudited consolidated balance sheets, statements of income, statements of changes in net assets and statistical highlights as of December 31, 2012	RIDOH 0611
MHRI unaudited consolidated balance sheets, statements of income, statements of changes in net assets and statistical highlights as of December 31, 2012	RIDOH 0620
MHRI Parent Audited Consolidated Financial Statements and Other Financial Information for years ended September 30, 2011 and 2010	RIDOH 0627
MHRI Parent Audited Consolidated Financial Statements and Other Financial Information for years ended September 30, 2010 and 2009	RIDOH 0674
MHRI Parent Audited Consolidated Financial Statements and Other Financial Information for years ended September 30, 2009 and 2008	RIDOH 0716

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED BALANCE SHEETS

	UNAUDITED 09/30/12	AUDITED 09/30/11
Assets		
Current assets:		
Cash and cash equivalents	$1,489,550	$1,921,664
Current portion of assets whose use is limited	1,832,994	1,908,648
Patient accounts receivable - Net	30,346,048	33,269,225
Other accounts receivable - Net	1,167,971	1,209,686
Estimated settlements with third-party payors	676,423	1,695,156
Inventories	695,501	744,597
Prepaid expenses and other	938,908	899,383
Total current assets	37,147,395	41,648,359
Assets whose use is limited or restricted		
By the Board for designated purposes	7,761,816	19,634,907
Held by trustee under indenture agreement	0	0
Pledges Receivable	7,180	56,325
By donors for specific purposes	1,562,926	1,297,954
By donors for permanent endowment	3,124,216	3,124,215
By externally administered trusts	7,115,306	6,345,138
Deferred compensation trust	0	0
	19,571,444	30,458,539
Less amount required to meet current obligations	(1,832,994)	(1,908,648)
Noncurrent assets whose use is limited	17,738,450	28,549,891
Property & equipment - Net	31,076,995	33,558,383
Other assets	180,574	207,326
Total assets	$86,143,414	$103,963,959

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED BALANCE SHEETS

	UNAUDITED 09/30/12	AUDITED 09/30/11
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued expenses	$21,922,338	$22,610,478
Estimated settlements with third-party payors	0	0
Accrued interest payable	128,135	143,784
Current portion of long-term debt and capital lease obligations	1,587,385	1,587,385
Line of credit	0	5,000,000
Total current liabilities	23,637,858	29,341,647
Additional minimum pension liability	64,921,724	48,295,374
Long-term debt - Net of current portion	9,518,714	11,106,099
Capital lease obligations - Net of current portion	0	0
Insurance reserves	1,663,316	977,468
Deferred compensation liability	0	0
Total liabilities	99,741,612	89,720,588
Net assets:		
Unrestricted	(25,400,646)	3,476,064
Temporarily restricted	1,562,926	1,297,954
Permanently restricted	10,239,522	9,469,353
Total net assets	(13,598,198)	14,243,371
Total liabilities and net assets	$86,143,414	$103,963,959

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED STATEMENTS OF INCOME

	UNAUDITED TWELVE MONTHS ENDED 09/30/12	AUDITED TWELVE MONTHS ENDED 09/30/11
Unrestricted revenue and other support:		
Net patient service revenue	$164,315,881	$169,647,204
Other revenue	10,187,127	10,833,097
Net assets released from restrictions for operations	25,331	22,437
Total unrestricted revenue and other support	174,528,339	180,502,738
Expenses:		
Salaries and wages	85,355,241	85,146,873
Employee benefits	32,739,957	30,440,944
Supplies, purchased services and other	44,280,528	44,306,769
Provision for bad debts - Net	15,147,513	16,371,134
Depreciation and amortization	4,043,873	4,280,101
Licensing fee	7,568,922	7,549,028
Interest	909,945	1,143,902
Total expenses	190,045,979	189,238,751
(Loss)/gain from operations	(15,517,640)	(8,736,013)
Other income, gains and losses:		
Investment income	(131,722)	314,262
Net realized gains on sales of investments	1,292,568	2,357,007
Unrestricted donations	90,255	104,252
Write-off of investment	0	0
Income on assets held in trust	302,388	303,954
Total nonoperating gains	1,553,489	3,079,475
Excess of revenue over expenses before change in appreciation of investments	(13,964,151)	(5,656,538)
Change in appreciation of investments	631,257	-2,513,288
Excess of revenue over expenses	(13,332,894)	(8,169,826)

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
STATEMENTS OF CHANGES IN NET ASSETS

	UNAUDITED TWELVE MONTHS ENDED 09/30/12	AUDITED TWELVE MONTHS ENDED 09/30/11
Change in unrestricted net assets:		
Excess of revenue over expenses	(13,332,894)	(8,169,826)
Additional minimum pension liability	(15,846,329)	(12,124,629)
Contributions for capital expenditures	183,490	0
Net assets released from restrictions	119,023	208,279
Increase in unrestricted net assets	(28,876,710)	(20,086,176)
Change in temporarily restricted net assets:		
Contributions	184,839	12,508
Investment income	(77,234)	144,467
Realized gains held to maintain purchasing power	301,722	356,423
Net assets released from restrictions used for purchase of PP&E	(144,354)	(230,716)
(Decrease)/Increase in temporarily restricted net assets	264,973	282,682
Change in permanently restricted net assets:		
Net appreciation on assets held in externally administered trusts	770,168	(243,837)
Restricted donations	0	23
Increase in permanently restricted net assets	770,168	(243,814)
Increase in net assets	(27,841,569)	(20,047,308)
Net assets, beginning of year	14,243,371	34,290,679
Net assets, end of year	(13,598,198)	14,243,371

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED BALANCE SHEETS
09/30/12

	MEMORIAL HOSPITAL	R. S. REALTY	SHS VENTURES	CONSOLIDATING ENTRIES	TOTAL MEMORIAL AND SUBS	PCCNE	BLACKSTONE HEALTH	SHS	TOTAL TOTAL	CONSOLIDATING ENTRIES	TOTAL SOUTHEASTERN HEALTHCARE SYSTEM, INC.
Assets											
Current assets:											
Cash and cash equivalents	$311,840	$355,717	$29,468	-	$697,025	$3,525	$260,607	$528,393	$1,489,550	-	$1,489,550
Assets limited as to use	1,832,994	-	-	-	1,832,994	-	-	-	1,832,994	-	1,832,994
Patient accounts receivable, net	30,268,038	-	75,552	-	30,343,590	2,458	-	-	30,346,048	-	30,346,048
Other accounts receivable	894,410	26,115	18,776	0	939,301	50,914	220,990	-	1,211,205	(43,234)	1,167,971
Estimated third party settlements	676,423	-	-	-	676,423	-	-	-	676,423	-	676,423
Inventories	688,676	-	6,825	-	695,501	-	-	-	695,501	-	695,501
Prepaid expenses	932,265	611	0	-	932,876	-	6,032	-	938,908	-	938,908
Total current assets	35,604,646	382,443	130,621	0	36,117,710	56,897	487,629	528,393	37,190,629	(43,234)	37,147,395
Assets limited as to use:											
By the Board for designated purposes	5,641,495	-	-	(214,241)	5,427,254	512,716	-	-	5,939,970	(2,320)	5,937,650
By the Board for designated purposes - DRF	1,824,166	-	-		1,824,166	-	-	-	1,824,166		1,824,166
Pledges Receivable	7,180	-	-	-	7,180	-	-	-	7,180	-	7,180
Held by Trustee under Loan Agreement	0	-	-	-	0	-	-	-	0	-	0
By donors for specific purposes	1,562,926	-	-	-	1,562,926	-	-	-	1,562,926	-	1,562,926
By donors for permanent endowment	3,124,216	-	-	-	3,124,216	-	-	-	3,124,216	-	3,124,216
By externally administered trusts	7,115,306	-	-	-	7,115,306	-	-	-	7,115,306	-	7,115,306
Deferred Compensation Trust	0	-	-	-	0	-	-	-	0	-	0
	19,275,289	0	0	(214,241)	19,061,048	512,716	0	0	19,573,764	(2,320)	19,571,444
Less amount required to meet current obligations	(1,832,994)	-	-	-	(1,832,994)	-	-	-	(1,832,994)	-	(1,832,994)
	17,442,295	0	0	(214,241)	17,228,054	512,716	0	0	17,740,770	(2,320)	17,738,450
Property & equipment, net	30,584,725	476,322	2,546	0	31,063,593	-	13,402	-	31,076,995	-	31,076,995
Deferred financing costs, net	180,574	-	-	-	180,574	-	-	-	180,574	-	180,574
Total assets	$83,812,240	$858,765	$133,167	($214,241)	$84,589,931	$569,613	$501,031	$528,393	$86,188,968	($45,554)	$86,143,414

RIDOH 0615

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED BALANCE SHEETS
09/30/12

	MEMORIAL HOSPITAL	R. S. REALTY	SHS VENTURES	CONSOLIDATING ENTRIES	TOTAL MEMORIAL AND SUBS	PCCNE	BLACKSTONE HEALTH	SHS	TOTAL TOTAL	CONSOLIDATING ENTRIES	TOTAL SOUTHEASTERN HEALTHCARE SYSTEM, INC.
Liabilities and Net Assets											
Current liabilities:											
Accounts payable and accrued expenses	21,479,468	151,484	322,783	(214,241)	21,739,494	26,742	82,852	-	21,849,088	(45,554)	21,803,534
Estimated third party settlements	0	-	-	-	0	-	-	-	0	-	0
Accrued interest payable	128,135	-	-	-	128,135	-	-	-	128,135	-	128,135
Current portion of long-term debt and capital lease obligations	1,587,385	-	-	-	1,587,385	-	-	-	1,587,385	-	1,587,385
Line of credit	0	-	-	-	0	-	-	-	0	-	0
Total current liabilities	23,194,988	151,484	322,783	(214,241)	23,455,014	26,742	82,852	0	23,564,608	(45,554)	23,519,054
Additional minimum pension liability	64,921,724	-	-	-	64,921,724	-	-	-	64,921,724	-	64,921,724
Deferred revenue	0	-	-	-	0	-	118,804	-	118,804	-	118,804
Long-term debt, net of current portion	9,518,714	-	-	-	9,518,714	-	-	-	9,518,714	-	9,518,714
Capital lease obligations	0	-	-	-	0	-	-	-	0	-	0
Estimated self-insurance and other liabilities	1,663,316	-	-	-	1,663,316	-	-	-	1,663,316	-	1,663,316
Other long-term liabilities	0	-	-	-	0	-	-	-	0	-	0
Total liabilities	99,298,742	151,484	322,783	(214,241)	99,558,768	26,742	201,656	0	99,787,166	(45,554)	99,741,612
Net assets:											
Unrestricted	(27,288,950)	707,281	(189,616)	-	(26,771,285)	542,871	299,375	528,393	(25,400,646)	-	(25,400,646)
Temporarily restricted	1,562,926		-	-	1,562,926	-	-	-	1,562,926	-	1,562,926
Permanently restricted	10,239,522		-	-	10,239,522	-	-	-	10,239,522	-	10,239,522
Total net assets	(15,486,502)	707,281	(189,616)	0	(14,968,837)	542,871	299,375	528,393	(13,598,198)	0	(13,598,198)
Total liabilities and net assets	$83,812,240	$858,765	$133,167	($214,241)	$84,589,931	$569,613	$501,031	$528,393	$86,188,968	($45,554)	$86,143,414

RIDOH 0616

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
CONSOLIDATED STATEMENTS OF INCOME
TWELVE MONTHS ENDED 09/30/12

	MEMORIAL HOSPITAL	R. S. REALTY	SHS VENTURES	CONSOLIDATING ENTRIES	MEMORIAL AND SUBS	PCCNE	BLACKSTONE HEALTH	SHS	TOTAL	CONSOLIDATING ENTRIES	SOUTHEASTERN HEALTHCARE SYSTEM, INC.
Unrestricted revenue, gains and other support:											
Net patient service revenue	$163,661,600		$654,281		$164,315,881				$164,315,881	$0	$164,315,881
Other revenue	8,146,479	755,685	24,221	(201,381)	8,725,004	5,000	1,456,633	60,490	10,247,127	(60,000)	10,187,127
Assets released from restrictions for operations	25,331				25,331				25,331		25,331
Total revenue, gains and other support	171,833,410	755,685	678,502	(201,381)	173,066,216	5,000	1,456,633	60,490	174,588,339	(60,000)	174,528,339
Expenses:											
Salaries and wages	84,123,553		632,597	166,099	84,922,249	-	395,912	-	85,318,161	37,080	85,355,241
Employee benefits	32,394,744		182,594	-	32,577,338	-	162,619	-	32,739,957		32,739,957
Supplies, purchased services and other	43,044,039	626,413	218,923	(367,480)	43,521,895	4,581	791,087	60,045	44,377,608	(97,080)	44,280,528
Provision for bad debts	15,130,585		16,928	-	15,147,513	-	-	-	15,147,513	-	15,147,513
Depreciation and amortization	3,938,536	95,650	1,537	-	4,035,723	0	8,150	-	4,043,873	-	4,043,873
Licensing fee	7,568,922		-	-	7,568,922	-	-	-	7,568,922	-	7,568,922
Interest	909,945		-	-	909,945	-	-	-	909,945	-	909,945
Total expenses	187,110,324	722,063	1,052,579	(201,381)	188,683,585	4,581	1,357,768	60,045	190,105,979	(60,000)	190,045,979
(Loss)/gain from operations	(15,276,914)	33,622	(374,077)	0	(15,617,369)	419	98,865	445	(15,517,640)	0	(15,517,640)
Other income, gains and losses:											
Investment income	(131,722)	-	-	-	(131,722)	-	-	-	(131,722)	-	(131,722)
Net realized gains on sales of investments	1,292,568	-	-	-	1,292,568	-	-	-	1,292,568	-	1,292,568
Unrestricted donations	90,255	-	-	-	90,255	-	-	-	90,255	-	90,255
Income on assets held in trust	302,388	-	-	-	302,388	-	-	-	302,388	-	302,388
Write-off of investment	-	-	-	-	0	-	-	-	0	-	0
Total nonoperating gains	1,553,489	0	0	0	1,553,489	0	0	0	1,553,489	0	1,553,489
Excess of revenues over expenses before change in appreciation of investments	(13,723,425)	33,622	(374,077)	0	(14,063,880)	419	98,865	445	(13,964,151)	0	(13,964,151)
Change in appreciation of investments	631,257				631,257				631,257		631,257
Excess of revenues over expenses	(13,092,168)	33,622	(374,077)	0	(13,432,623)	419	98,865	445	(13,332,894)	0	(13,332,894)

RIDOH 0617

SOUTHEASTERN HEALTHCARE SYSTEM, INC.
STATEMENTS OF CHANGES IN NET ASSETS
TWELVE MONTHS ENDED 09/30/12

	MEMORIAL HOSPITAL	R. S. REALTY	SHS VENTURES	CONSOLIDATING ENTRIES	MEMORIAL AND SUBS	PCCNE	BLACKSTONE HEALTH	SHS	TOTAL	CONSOLIDATING ENTRIES	SOUTHEASTERN HEALTHCARE SYSTEM, INC.
Change in unrestricted net assets.											
Excess of revenues over expenses	(13,092,168)	33,622	(374,077)	0	(13,432,623)	419	98,865	445	(13,332,894)	0	(13,332,894)
Additional minimum pension liability	(15,846,329)	-	-	-	(15,846,329)	-	-	-	(15,846,329)	-	(15,846,329)
Cummulative effect of a change in accounting principle	0	-	-	-	0	-	-	-	0	-	0
Intercompany Transfer	(300,000)	0	300,000	0	0		0		0	0	0
Contributions for capital expenditures	183,490	-	-	-	183,490	-	-	-	183,490	-	183,490
Net assets released from restrictions	0	-	-	-	0	-	-	-	0	-	0
Net assets released from restrictions used for purchase of PP&E	119,024	-	-	-	119,024	-	-	-	119,024	-	119,024
Increase in unrestricted net assets	(28,935,983)	33,622	(74,077)	0	(28,976,438)	419	98,865	445	(28,876,709)	0	(28,876,709)
Change in temporarily restricted net assets:											
Contributions	184,839	-	-	-	184,839	-	-	-	184,839	-	184,839
Investment income	(77,234)	-	-	-	(77,234)	-	-	-	(77,234)	-	(77,234)
Realized gains held to maintain purchasing power	301,722				301,722				301,722		301,722
Net assets released from restriction	(144,355)	-	-	-	(144,355)	-	-	-	(144,355)	-	(144,355)
Increase in temporarily restricted net assets	264,972	0	0	0	264,972	0	0	0	264,972	0	264,972
Change in permanently restricted net assets:											
Restricted donations	0				0				0		0
Net appreciation on assets held in externally administered trusts	770,168				770,168				770,168		770,168
Increase in permanently restricted net assets	770,168	0	0	0	770,168	0	0	0	770,168	0	770,168
Increase in net assets	(27,900,843)	33,622	(74,077)	0	(27,941,298)	419	98,865	445	(27,841,569)	0	(27,841,569)
Net assets, beginning of year	12,414,341	673,659	(115,539)		12,972,461	542,452	200,510	527,948	14,243,371		14,243,371
Net assets, end of year	-$15,486,502	$707,281	($189,616)	$0	-$14,968,837	$542,871	$299,375	$528,393	-$13,598,198	$0	-$13,598,198

RIDOH 0618

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

MEMORIAL HOSPITAL OF RHODE ISLAND
CONSOLIDATED BALANCE SHEETS

	UNAUDITED 12/31/12	UNAUDITED 11/30/12	UNAUDITED 09/30/12
ASSETS			
CURRENT ASSETS:			
CASH AND CASH EQUIVALENTS	$1,024,993	$1,445,135	$311,840
CURRENT PORTION OF ASSETS LIMITED AS TO USE	2,006,212	1,998,703	1,832,994
PATIENT ACCOUNTS RECEIVABLE, NET	29,152,572	29,553,367	30,268,038
OTHER ACCOUNTS RECEIVABLE	1,390,943	545,780	894,410
ESTIMATED THIRD PARTY SETTLEMENTS	186,983	246,844	676,423
INVENTORIES	809,351	815,038	688,676
PREPAID EXPENSES	1,244,134	1,143,147	932,265
TOTAL CURRENT ASSETS	35,815,188	35,748,014	35,604,646
ASSETS LIMITED AS TO USE:			
BY THE BOARD FOR DESIGNATED PURPOSES	6,054,816	3,932,914	5,641,495
BY THE BOARD FOR DESIGNATED PURPOSES - DEBT REDUCTION	1,819,083	1,771,315	1,824,166
PLEDGES RECEIVABLE	3,430	7,180	7,180
HELD BY TRUSTEE UNDER LOAN AGREEMENT	519,384	519,384	0
BY DONORS FOR SPECIFIC PURPOSES	1,327,477	1,302,808	1,562,926
BY DONORS FOR PERMANENT ENDOWMENT	3,104,224	3,124,220	3,124,216
BY EXTERNALLY ADMINISTERED TRUSTS	7,082,322	7,043,723	7,115,306
DEFERRED COMPENSATION TRUST	0	0	0
	19,910,736	17,701,544	19,275,289
LESS AMOUNT REQUIRED TO MEET CURRENT OBLIGATIONS	(2,006,212)	(1,998,703)	(1,832,994)
	17,904,524	15,702,841	17,442,295
PROPERTY & EQUIPMENT, NET	29,987,571	30,323,123	30,584,725
OTHER ASSETS	173,886	176,115	180,574
TOTAL ASSETS	$83,881,169	81,950,093	$83,812,240

MEMORIAL HOSPITAL OF RHODE ISLAND
CONSOLIDATED BALANCE SHEETS

	UNAUDITED 12/31/12	UNAUDITED 11/30/12	UNAUDITED 09/30/12
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE AND ACCRUED EXPENSES	$24,281,327	$22,287,915	$21,479,468
ACCRUED INTEREST PAYABLE	256,085	213,559	128,135
CURRENT PORTION OF L-T DEBT AND CAP LEASE OBLIGATIONS	1,570,596	1,568,731	1,587,385
NET DUE TO/FROM	3	165	0
LINE OF CREDIT	0	0	0
TOTAL CURRENT LIABILITIES	26,108,011	24,070,370	23,194,988
ADDITIONAL MINIMUM PENSION LIABILITY	62,365,446	62,365,446	63,145,467
DEFERRED REVENUE	(142,600)	39,652	0
LONG-TERM DEBT, NET OF CURRENT PORTION	9,529,906	9,533,637	9,518,714
CAPITAL LEASE OBLIGATIONS	0	0	0
ESTIMATED SELF-INSURANCE AND OTHER LIABILITIES	1,607,329	1,635,929	1,663,316
OTHER LONG TERM LIABILITIES	0	0	0
TOTAL LIABILITIES	99,468,092	97,645,034	97,522,485
NET ASSETS:			
UNRESTRICTED	(27,100,946)	(27,165,692)	(25,512,693)
TEMPORARILY RESTRICTED	1,327,477	1,302,808	1,562,926
PERMANENTLY RESTRICTED	10,186,546	10,167,943	10,239,522
TOTAL NET ASSETS	(15,586,923)	(15,694,941)	(13,710,245)
TOTAL LIABILITIES AND NET ASSETS	$83,881,169	81,950,093	$83,812,240

MEMORIAL HOSPITAL OF RHODE ISLAND
CONSOLIDATED STATEMENTS OF INCOME

	UNAUDITED THREE MONTHS ENDED 12/31/12	UNAUDITED TWO MONTHS ENDED 11/30/12	UNAUDITED TWELVE MONTHS ENDED 09/30/12
UNRESTRICTED REVENUE, GAINS AND OTHER SUPPORT:			
NET PATIENT SERVICE REVENUE	$37,895,273	$25,617,878	$163,661,600
OTHER REVENUE	2,501,781	1,872,254	8,146,479
ASSETS RELEASED FROM RESTRICTIONS FOR OPERATIONS	5,771	3,807	25,331
TOTAL REVENUES, GAINS AND OTHER SUPPORT	40,402,825	27,493,939	171,833,410
EXPENSES			
SALARIES AND WAGES	21,137,004	13,899,307	84,123,553
EMPLOYEE BENEFITS	7,010,296	4,805,109	32,394,744
SUPPLIES, PURCHASED SERVICES AND OTHER	10,674,700	7,235,981	43,044,039
PROVISION FOR BAD DEBTS	3,882,878	2,568,653	15,130,585
DEPRECIATION AND AMORTIZATION	1,068,877	712,585	3,938,536
LICENSING FEE	0	0	7,568,922
INTEREST	173,064	115,471	909,945
TOTAL EXPENSES	43,946,819	29,337,105	187,110,324
(LOSS)/GAIN FROM OPERATIONS	(3,543,994)	(1,843,166)	(15,276,914)
INVESTMENT INCOME	177,316	148,460	(131,722)
REALIZED GAINS AND LOSSES ON SALES OF INVESTMENTS	3,135,579	61,055	1,292,568
UNRESTRICTED DONATIONS	48,070	15,090	90,255
INCOME ON ASSETS HELD IN TRUST	68,079	53,347	302,388
TOTAL NONOPERATING GAINS	3,429,044	277,952	1,553,489
EXCESS OF REVENUE OVER EXPENSES BEFORE CHANGE IN APPRECIATION OF INVESTMENTS	(114,950)	(1,565,214)	(13,723,425)
CHANGE IN APPRECIATION OF INVESTMENTS	(1,555,485)	(144,965)	631,257
EXCESS OF REVENUE OVER EXPENSES	(1,670,435)	(1,710,179)	(13,092,168)

MEMORIAL HOSPITAL OF RHODE ISLAND
STATEMENTS OF CHANGES IN NET ASSETS

	UNAUDITED THREE MONTHS ENDED 12/31/12	UNAUDITED TWO MONTHS ENDED 11/30/12	UNAUDITED TWELVE MONTHS ENDED 09/30/12
UNRESTRICTED NET ASSETS:			
EXCESS OF REVENUES OVER EXPENSES	(1,670,435)	(1,710,179)	(13,092,168)
CONTRIBUTIONS FOR CAPITAL EXPENDITURES	0	0	183,490
ADDITIONAL MINIMUM PENSION LIABILITY	0	0	(14,070,072)
CUMMULATIVE EFFECT OF A CHANGE IN ACCOUNTING PRINCIPLE	0	0	0
ASSETS REALEASED FROM RESTRICTIONS FOR PURCHASES PP&E	107,182	107,182	119,024
NET ASSETS RELEASED FROM RESTRICTIONS	0	0	0
INTERCOMPANY TRANSFER	(75,000)	(50,000)	(300,000)
DECREASE IN UNRESTRICTED NET ASSETS	(1,638,253)	(1,652,997)	(27,159,726)
TEMPORARILY RESTRICTED NET ASSETS:			
CONTRIBUTIONS	36,527	15,656	184,839
NET APPRECIATION (REALIZED AND UNREALIZED)	0	0	301,722
INVESTMENT INCOME	(1,233)	(6,995)	(77,234)
NET ASSETS RELEASED FROM RESTRICTION	(5,771)	(3,807)	(144,355)
DECREASE IN TEMPORARILY RESTRICTED NET ASSETS	29,523	4,854	264,972
PERMANENTLY RESTRICTED NET ASSETS:			
NET APPRECIATION ON ASSETS HELD IN EXTERNALLY ADMINISTERED TRUSTS	(32,984)	(71,583)	770,168
REALIZED GAINS HELD TO MAINTAIN PURCHASING POWER	0	0	0
RESTRICTED DONATIONS	9	0	0
INCREASE IN PERMANENTLY RESTRICTED NET ASSETS	(32,975)	(71,583)	770,168
DECREASE IN NET ASSETS	(1,641,705)	(1,719,726)	(26,124,586)
NET ASSETS, BEGINNING OF YEAR	(13,710,245)	(13,710,245)	12,414,341
NET ASSETS, END OF YEAR	($15,351,950)	($15,429,971)	($13,710,245)

MEMORIAL HOSPITAL OF RHODE ISLAND
STATISTICAL HIGHLIGHTS
DECEMBER 2012

INPATIENT	BEDS	MONTH ACTUAL	MONTH BUDGET	MONTH VARIANCE	YEAR ACTUAL	YEAR BUDGET	YEAR VARIANCE
PATIENT DAYS							
MEDICAL & SURGICAL	213	1,392	1,679	(287)	4,329	5,166	(837)
ICU/CCU	18	219	291	(72)	624	814	(190)
PEDIATRICS	21	6	14	(8)	22	44	(22)
MATERNITY	26	106	109	(3)	334	319	15
REHAB	16	295	330	(35)	870	966	(96)
TOTAL	294	2,018	2,423	(405)	6,179	7,309	(1,130)
ADMISSIONS							
-ADULT M & S		349	361	(12)	1,055	1,111	(56)
-ICU/CCU		64	60	4	189	168	21
-PEDIATRICS		6	7	(1)	16	22	(6)
-MATERNITY		34	42	(8)	127	123	4
-REHAB		22	27	(5)	64	79	(15)
TOTAL		475	497	(22)	1,451	1,503	(52)
LENGTH OF STAY							
-ADULT M & S		3.99	4.65	(0.66)	4.10	4.65	(0.55)
-ICU/CCU		3.42	4.85	(1.43)	3.30	4.85	(1.54)
-PEDIATRICS		1.00	2.00	(1.00)	1.38	2.00	(0.63)
-MATERNITY		3.12	2.60	0.52	2.63	2.59	0.04
-REHAB		13.41	12.22	1.19	13.59	12.23	1.37
OVERALL		4.25	4.88	(0.63)	4.26	4.86	(0.60)
OCCUPANCY %							
-ADULT M & S		21.08%	25.43%	-4.35%	22.09%	26.36%	-4.27%
-ICU/CCU		39.25%	52.15%	-12.90%	37.68%	49.15%	-11.47%
-PEDIATRICS		0.92%	2.15%	-1.23%	1.14%	2.28%	-1.14%
-MATERNITY		13.15%	13.52%	-0.37%	13.96%	13.34%	0.63%
-REHAB		59.48%	66.53%	-7.06%	59.10%	65.63%	-6.52%
OVERALL		22.14%	26.59%	-4.44%	22.84%	27.02%	-4.18%
MEDICARE DISCHARGES							
DRG PATIENTS		138	169	(31)	442	517	(75)
REHAB PATIENTS		12	10	2	25	30	(5)
HMO PATIENTS		88	86	2	268	257	11
HMO REHAB PATIENTS		5	7	(2)	16	18	(2)
TOTAL		243	272	(29)	751	822	(71)
OUTPATIENT							
E.R. VISITS CHARGED		3,010	2,815	195	8,373	8,375	(2)
CLINIC VISITS							
FAMILY CARE		1,954	2,111	(157)	5,980	6,265	(285)
INTERNAL MEDICINE		220	248	(28)	734	832	(98)
N.D. AMBY		755	715	40	2,314	2,276	38
ALL OTHER		1,473	1,838	(365)	5,017	6,166	(1,149)
TOTAL		4,402	4,912	(510)	14,045	15,539	(1,494)
TOTAL HOME CARE VISITS		4,284	4,061	223	13,510	13,617	(107)

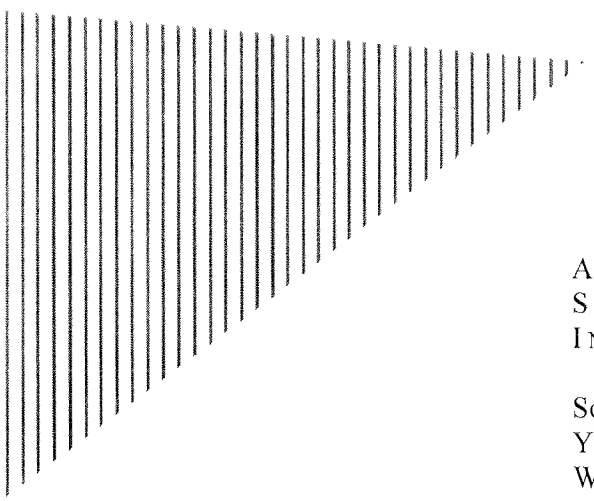
RIDOH 0624

MEMORIAL HOSPITAL OF RHODE ISLAND
INCOME STATEMENT VARIANCE REPORT
PERIOD ENDED DECEMBER 31, 2012

	CURRENT MONTH ACTUAL	CURRENT MONTH BUDGET	VARIANCE	YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE
GROSS REVENUE - PATIENTS						
INPATIENT						
ROUTINE	3,886,834	4,722,937	(836,103)	11,783,494	14,097,954	(2,314,460)
ANCILLARY	6,605,267	7,737,972	(1,132,705)	20,194,169	23,347,176	(3,153,007)
	10,492,101	12,460,909	(1,968,808)	31,977,663	37,445,130	(5,467,467)
OUTPATIENT						
ROUTINE	3,243,056	3,144,860	98,196	9,682,846	9,782,100	(99,254)
ANCILLARY	10,834,914	10,658,679	176,235	34,938,512	35,335,018	(396,506)
	14,077,970	13,803,539	274,431	44,621,358	45,117,118	(495,760)
TOTAL GROSS REVENUE	24,570,071	26,264,448	(1,694,377)	76,599,021	82,562,248	(5,963,227)
CONTRACTUAL ALLOWANCES	(12,676,635)	(13,725,167)	1,048,532	(39,972,214)	(43,333,424)	3,361,210
FREE CARE AND BAD DEBTS	(1,898,147)	(1,909,885)	11,738	(5,509,350)	(6,073,361)	564,011
TOTAL REVENUE DEDUCTIONS	(14,574,782)	(15,635,052)	1,060,270	(45,481,564)	(49,406,785)	3,925,221
NET REVENUE - PATIENTS	9,995,289	10,629,396	(634,107)	31,117,457	33,155,463	(2,038,006)
OTHER OPERATING REVENUE	422,654	431,171	(8,517)	1,575,419	1,581,046	(5,627)
TOTAL REVENUE	10,417,943	11,060,567	(642,624)	32,692,876	34,736,509	(2,043,633)
OPERATING EXPENSES						
SALARIES AND WAGES	6,427,801	6,587,780	159,979	18,788,102	19,236,986	448,884
FRINGE BENEFITS	2,236,995	2,369,458	132,463	6,789,319	7,095,620	306,301
SUPPLIES	1,485,948	1,586,310	100,362	4,551,500	4,990,182	438,682
OTHER DIRECT EXPENSES	1,577,497	1,553,488	(24,009)	4,818,326	4,797,149	(21,177)
RENTAL/LEASE	36,103	34,589	(1,514)	226,342	228,117	1,775
DEPRECIATION	354,427	354,427	0	1,063,281	1,063,281	0
TOTAL EXPENSES	12,118,771	12,486,052	367,281	36,236,870	37,411,335	1,174,465
LICENSING FEE	0	0	0	0	0	0
NET INCOME (LOSS)	(1,700,828)	(1,425,485)	(275,343)	(3,543,994)	(2,674,826)	(869,168)

RIDOH 0625

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]



Audited Consolidated Financial Statements and Other Financial Information

Southeastern Healthcare System, Inc. and Affiliates
Years Ended September 30, 2011 and 2010
With Report of Independent Auditors

Ernst & Young LLP

ERNST & YOUNG

Southeastern Healthcare System, Inc. and Affiliates

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended September 30, 2011 and 2010

Contents

Report of Independent Auditors 1

Consolidated Financial Statements

Consolidated Balance Sheets 2
Consolidated Statements of Operations and Changes in Net Assets 4
Consolidated Statements of Cash Flows 6
Notes to Consolidated Financial Statements 7

Other Financial Information

Report of Independent Auditors on Other Financial Information 34
Consolidating Balance Sheet 35
Consolidating Statement of Operations and Changes in Net Assets 37

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116-5072
Tel + 1 617 266 2000
Fax + 1 617 266 5843
www.ey.com

Report of Independent Auditors

Board of Trustees
Southeastern Healthcare System, Inc.

We have audited the accompanying consolidated balance sheets of Southeastern Healthcare System, Inc. and Affiliates (the System) as of September 30, 2011 and 2010, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the System's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Southeastern Healthcare System, Inc. and Affiliates as of September 30, 2011 and 2010, and the consolidated results of their operations and changes in net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 9, 2012

A member firm of Ernst & Young Global Limited

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Balance Sheets

	September 30 2011	2010
Assets		
Current assets:		
Cash and cash equivalents	$ **1,921,664**	$ 1,501,838
Current portion of assets whose use is limited	**1,908,648**	2,936,344
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $10,431,000 in 2011 and $9,772,000 in 2010	**33,269,225**	32,509,340
Other accounts receivable	**1,209,686**	1,503,613
Estimated settlements with third-party payors	**1,695,156**	2,466,273
Inventories	**744,597**	808,863
Prepaid expenses and other	**899,383**	862,032
Total current assets	**41,648,359**	42,588,303
Assets whose use is limited:		
By the Board for designated purposes	**19,634,907**	31,081,199
Pledges receivable	**56,325**	202,392
By donors for designated purposes	**1,297,954**	1,015,273
By donors for permanent endowment	**3,124,215**	3,124,192
By externally administered trusts	**6,345,138**	6,588,975
	30,458,539	42,012,031
Less amount required to meet current obligations	**(1,908,648)**	(2,936,344)
	28,549,891	39,075,687
Property and equipment, net	**33,558,383**	34,541,070
Deferred financing costs, net	**207,326**	234,078
Total assets	**$ 103,963,959**	$ 116,439,138

RIDOH 0630

	September 30	
	2011	**2010**
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 22,610,478**	$ 25,057,378
Accrued interest payable	**143,784**	159,384
Current portion of long-term debt and capital lease obligations	**1,587,385**	1,582,385
Line of credit	**5,000,000**	5,000,000
Total current liabilities	**29,341,647**	31,799,147
Long-term pension liability	**48,295,374**	36,591,747
Long-term debt, net of current portion	**11,106,099**	12,693,483
Estimated self-insurance liabilities and other liabilities	**977,468**	981,582
Deferred compensation liability	**–**	82,500
Total liabilities	**89,720,588**	82,148,459
Commitments and contingencies		
Net assets:		
Unrestricted	**3,476,064**	23,562,239
Temporarily restricted	**1,297,954**	1,015,273
Permanently restricted	**9,469,353**	9,713,167
Total net assets	**14,243,371**	34,290,679
Total liabilities and net assets	**$ 103,963,959**	$ 116,439,138

See accompanying notes.

RIDOH 0631

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2011	**2010**
Operating revenues:		
Net patient service revenue	**$ 169,647,204**	$ 173,318,865
Other revenue	**10,833,097**	10,241,484
Net assets released from restrictions for operations	**22,437**	108,887
Total operating revenues	**180,502,738**	183,669,236
Operating expenses:		
Salaries and wages	**85,146,873**	84,425,033
Employee benefits	**30,440,944**	29,257,213
Supplies, purchased services, and other	**44,306,769**	45,794,792
Provision for bad debts	**16,371,134**	15,657,416
Depreciation and amortization	**4,280,101**	4,183,905
Licensing fee	**7,549,028**	7,178,101
Interest	**1,143,902**	1,287,152
Total operating expenses	**189,238,751**	187,783,612
Loss from operations	**(8,736,013)**	(4,114,376)
Nonoperating gains:		
Investment income	**314,262**	350,807
Net realized gains on sales of investments	**2,357,007**	715,584
Unrestricted donations	**104,252**	233,654
Income on assets held in externally administered trusts	**303,954**	285,654
Total nonoperating gains	**3,079,475**	1,585,699
Deficiency of revenue over expenses before change in fair value of investments	**(5,656,538)**	(2,528,677)
Change in fair value of investments	**(2,513,288)**	817,068
Deficiency of revenues over expenses	**(8,169,826)**	(1,711,609)

Continued on next page.

RIDOH 0632

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2011	**2010**
Deficiency of revenue over expenses (continued)	**$ (8,169,826)**	$ (1,711,609)
Change in pension liability	**(12,124,629)**	(281,586)
Net assets released from restrictions	**208,280**	62,638
Contribution of long-lived assets	**–**	5,370
Decrease in unrestricted net assets	**(20,086,175)**	(1,925,187)
Change in temporarily restricted net assets:		
Contributions	**12,508**	217,146
Investment income	**144,467**	166,402
Net appreciation (realized and unrealized)	**356,423**	111,935
Net assets released from restrictions	**(230,717)**	(171,525)
Increase in temporarily restricted net assets	**282,681**	323,958
Change in permanently restricted net assets:		
Change in unrealized (depreciation) appreciation on assets held in externally administered trusts	**(243,837)**	352,119
Permanently restricted endowment contributions	**23**	34
(Decrease) increase in permanently restricted net assets	**(243,814)**	352,153
Decrease in net assets	**(20,047,308)**	(1,249,076)
Net assets at beginning of year	**34,290,679**	35,539,755
Net assets at end of year	**$ 14,243,371**	$ 34,290,679

See accompanying notes.

RIDOH 0633

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2011	**2010**
Operating activities		
Decrease in net assets	**$ (20,047,308)**	$ (1,249,076)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities and nonoperating gains:		
Depreciation and amortization	**4,280,101**	4,183,905
Provision for bad debts	**16,371,134**	15,657,416
Amortization of bond premium	**(22,384)**	(22,385)
Change in pension liability	**12,124,629**	281,586
Unrealized depreciation (appreciation) on assets held in externally administered trusts	**243,837**	(352,119)
Change in:		
Patient accounts receivable	**(17,131,019)**	(13,416,137)
Other accounts receivable	**293,927**	(289,846)
Estimated settlements with third-party payors	**771,117**	596,423
Inventories	**64,266**	(49,598)
Prepaid expenses and other	**(37,351)**	255,829
Investments classified as trading	**11,152,657**	1,629,393
Accounts payable, accrued expenses and long-term pension liability	**(2,867,902)**	(80,026)
Accrued interest payable	**(15,600)**	(15,600)
Estimated self-insurance liabilities and other liabilities	**(4,114)**	(173,170)
Deferred compensation liability	**(82,500)**	(2,317,225)
Net cash provided by operating activities and nonoperating gains	**5,093,490**	4,639,370
Investing activities		
Purchases of property and equipment, net	**(3,270,662)**	(3,753,089)
Net cash used in investing activities	**(3,270,662)**	(3,753,089)
Financing activities		
Restricted contributions and investment income	**156,998**	383,582
Repayments of long-term debt and additional financing costs	**(1,560,000)**	(1,560,000)
Net cash used in financing activities	**(1,403,002)**	(1,176,418)
Net increase (decrease) in cash and cash equivalents	**419,826**	(290,137)
Cash and cash equivalents at beginning of year	**1,501,838**	1,791,975
Cash and cash equivalents at end of year	**$ 1,921,664**	$ 1,501,838

See accompanying notes.

RIDOH 0634

1. Organization and Summary of Significant Accounting Policies

Organization

Southeastern Healthcare System, Inc. (SHSI), formed in 1997, is the sole corporate member or shareholder of Memorial Hospital of Rhode Island (the Hospital), Primary Care Centers of New England, Inc. (PCCNE), and Blackstone Health, Inc. (BHI) (collectively referred to as the System). The Hospital is the sole corporate member of R.S. Realty Company (RSR) and SHS Ventures, Inc. (Ventures).

The Hospital is a 294-bed, acute care, not-for-profit community teaching and research hospital located in Pawtucket, Rhode Island, and is affiliated with Brown University School of Medicine. RSR owns and leases apartments and office space primarily to Hospital employees. PCCNE provides staffing to Ventures and the Hospital. Ventures consists of Massachusetts-based physician practices. BHI receives and administers certain grant funds, and provides services to elderly and disabled residents in the local area.

Principles of Consolidation

The accompanying consolidated financial statements include the assets of SHSI and its controlled affiliates. The assets of any one of the members of the consolidated group may not be available to meet the obligations of other entities in the group. Intercompany balances and transactions between the organizations have been eliminated in consolidation.

Consolidated Statements of Operations and Changes in Net Assets

The consolidated statements of operations and changes in net assets include the deficiency of revenue over expenses. Changes in unrestricted net assets, which are excluded from the deficiency of revenue over expenses, consistent with industry practice, include contributions of long-lived assets, including assets acquired using contributions which, by donor restrictions, were to be used for the purpose of acquiring such assets, change in net assets related to pension, and net assets released from restrictions used to purchase property and equipment.

For presentation purposes, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and operating expenses. Other transactions not considered major or central to the provision of health care services are reported as nonoperating gains and losses, which primarily consist of investment income and unrestricted donations.

RIDOH 0635

1. Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Patient Service Revenue

The System has entered into payment agreements with Medicare, Medicaid, and various commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under those agreements includes prospectively determined rates per discharge, discounts from established charges, costs (subject to limits), fee screens, prospectively determined per diem rates, and capitation fees earned on a per-member-per-month basis. Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Under the terms of various agreements, regulations and statutes, certain elements of third-party reimbursements are subject to negotiation, audit, and final determination by the third-party payors. Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs. During fiscal years 2011 and 2010, the System recorded increases in net patient service revenue of $771,118 and $225,478, respectively, related to changes in previously estimated third-party settlements.

Grant Revenue

The Hospital receives grants from agencies of the federal government and other sources to perform medical research and educational projects. Revenue related to these grants is recognized as the related costs are incurred. Grant revenues included in other revenue amounted to $5,704,174 and $4,861,889 for the years ended September 30, 2011 and 2010, respectively. Deferred revenues which relate to grant funds received prior to costs being incurred are included in accounts payable and accrued expenses and amounted to $800,260 and $1,079,789 at September 30, 2011 and 2010, respectively.

RIDOH 0636

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Expenses

Substantially all expenses in the accompanying consolidated statements of operations and changes in net assets are related to the delivery of health care services and the performance of medical research and educational projects.

Disproportionate Share Program

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, which was established in 1995 to assist hospitals that provide a disproportionate amount of uncompensated care. Under the program, the Hospital receives federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low-income patients. Payments to the Hospital under the Disproportionate Share Program of $5,757,941 and $8,489,049 for the years ended September 30, 2011 and 2010, respectively, are included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets.

Assessments

The state of Rhode Island assesses a licensing fee to all Rhode Island hospitals based upon each hospital's gross patient service revenue as reported on filed cost reports. The Hospital's licensing fee amounted to $7,549,028 and $7,178,101 for the years ended September 30, 2011 and 2010, respectively.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of amounts restricted by donors for specific purposes. Permanently restricted net assets have been restricted by donors and are to be maintained by the System in perpetuity. Also included in permanently restricted net assets are assets held in externally administered irrevocable trusts which are not under the System's control. The System is the income beneficiary of certain perpetual trusts and has recognized its share of the fair value of the perpetual trusts as a permanently restricted asset. The System's share represents the percentage of interest the System has in the perpetual trust's income distributions. The System's share of the increase or decrease in fair value of the perpetual trusts is reported as an increase or decrease in permanently restricted net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted donations.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly liquid debt instruments with maturities of three months or less when purchased, excluding assets whose use is limited or restricted.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on a weighted-average basis, except for the pharmacy and central processing departments, which utilize the first-in, first-out basis.

Assets Whose Use Is Limited

Resources set aside for board-designated purposes or limited under terms of loan agreements are considered to be assets whose use is limited. Assets whose use is limited that are required for obligations classified as current liabilities are classified as current assets.

RIDOH 0638

1. Organization and Summary of Significant Accounting Policies (continued)

Assets whose use is limited by donors for designated purposes consist of amounts contributed for the design and renovation of the Hospital's facility. Assets whose use is limited by donors for permanent endowment funds contain a donor-imposed restriction stipulating that these resources be maintained permanently. However, the restriction permits the Hospital to use or expend all of the income and net gains derived from the donated assets. Accordingly, investment income on the assets is unrestricted. Rhode Island general law allows organizations to permanently restrict investment earnings on permanently restricted funds to maintain the purchasing power of the original dollar value of the funds. The law also allows the governing board to expend such funds as permitted under other laws, the terms of the applicable gift instrument, or the charter of the institution. Each year, the Board of Trustees has designated all income of permanently restricted assets, other than externally administered trusts, for future Hospital use and, therefore, the income has been classified as unrestricted.

The Hospital is the beneficiary of the income from assets held in externally administered trusts, which are not under its control. Income from these trusts is unrestricted, and the annual distributions received by the Hospital are reported as nonoperating gains in the consolidated statements of operations and changes in net assets.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the consolidated balance sheets. Fair value is generally determined based on quoted market price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the deficiency of revenue over expenses.

Property and Equipment

Property and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in income from operations. Depreciation of property and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 50 years. The cost of additions and improvements are capitalized and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

RIDOH 0639

1. Organization and Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted contributions and are excluded from the deficiency of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of debt, which are being amortized over the term of the related debt issue. Amortization expense amounted to $26,752 and $26,751 for the years ended September 30, 2011 and 2010, respectively.

Tax Status

SHSI, the Hospital, Ventures and BHI have been recognized as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code). RSR has been recognized as a tax-exempt organization under Section 501(c)(2) of the Code. Those organizations are, therefore, exempt from federal taxes on related income pursuant to Section 501(a) of the Code. PCCNE is organized as a for-profit corporation and is, therefore, subject to tax. The provision for income taxes on the earnings of PCCNE is immaterial to the consolidated financial statements.

As of September 30, 2011, PCCNE has net operating loss carryforwards of approximately $600,000 for income tax purposes. These carryforwards resulted from PCCNE incurring operating losses in prior years. A deferred tax asset for these losses of approximately $240,000 is offset by a corresponding valuation allowance of the same amount.

RIDOH 0640

1. Organization and Summary of Significant Accounting Policies (continued)

Adoption of New Accounting Standards

In August 2010, the Financial Accounting Standards Board (FASB) issued amended guidance relating to measuring charity care for disclosures. The amended guidance requires that the level of charity care provided be presented based on the direct and indirect costs of the charity services provided. Separate disclosure of the amount of any cash reimbursements received for providing charity care must also be disclosed. The amended guidance is effective for fiscal years beginning after December 15, 2010. SHSI will adopt the disclosures required by the amended guidance in fiscal 2012.

In August 2010, the FASB issued amended guidance related to the presentation of insurance claims and related insurance recoveries. Under the new guidance, anticipated insurance recoveries and estimated liabilities for medical malpractice claims or similar contingent liabilities will be presented separately on the balance sheet. The guidance is effective for fiscal years beginning after December 15, 2010. SHSI will adopt the presentation changes to the balance sheet in fiscal 2012.

In July 2011, the FASB issued new guidance, *Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts.* The guidance requires certain health care entities to present the bad debt expense associated with the patient service revenue as a deduction from patient service revenue (net of contractual allowances and discounts) rather than operating expense. The guidance is effective for fiscal years and interim periods within those fiscal years beginning after December 31, 2011, with early adoption permitted.

2. Accounts Receivable for Patients and Net Patient Service Revenue

During fiscal years 2011 and 2010, the Hospital's net revenues from services to patients were 31% and 34% from Medicare and 19% and 17% from Medicaid, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. The Hospital believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

RIDOH 0641

2. Accounts Receivable for Patients and Net Patient Service Revenue (continued)

Net revenues from services to patients are reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

Patient accounts receivable and revenues are recorded when patient services are performed. The Hospital has agreements with certain third-party payors, including health maintenance organizations, that provide for payments to the Hospital at amounts different from the Hospital's established billing rates. These differences are accounted for as allowances. Under those agreements, the Hospital receives reimbursement based on a number of different arrangements.

3. Uncompensated Care and Community Benefit

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The following table displays the level of charity care provided during the years ended September 30:

	2011	2010
Charges forgone, based on established rates	**$ 6,888,579**	$ 6,076,412
Estimated costs and expenses incurred to provide charity care	**$ 3,002,479**	$ 2,823,790

RIDOH 0642

3. Uncompensated Care and Community Benefit (continued)

In addition to the above-mentioned medical care rendered, the Hospital provides numerous other services to the community for which charges are not generated. These services include translation of medical information into various languages, physician referral services, health care screenings (including those done at employer sites), community support groups, health educational programs, physician services, and general community benefit services such as disaster relief. In addition, volunteer services are provided by Hospital staff to the community on their own time.

The Hospital also provides services to other indigent patients under the Medicaid program, which reimburses health care providers at amounts which are, in total, estimated to be less than the cost of services provided. The differences between the cost of services provided to indigent patients and the expected reimbursement are also considered to be charitable services by the Hospital but they have not been included in the amounts disclosed above.

In addition to the cost of charity care and other community service programs, the Hospital provided $16,371,134 and $15,657,416 for uncollectible patient accounts during the years ended September 30, 2011 and 2010, respectively.

4. Assets Whose Use is Limited

Assets whose use is limited consist of the following at fair value at September 30:

	2011	2010
Interest and other receivables	$ **1,207,623**	$ 1,211,400
Pledges receivable	**56,325**	202,392
Assets held in externally administered trusts	**6,345,138**	6,588,975
Cash and money market investments	**3,244,820**	6,748,812
Marketable securities	**19,604,633**	27,260,452
	$ **30,458,539**	$ 42,012,031

RIDOH 0643

4. Assets Whose Use is Limited (continued)

Marketable securities consist of the following at fair value at September 30:

	2011	2010
U.S. government obligations	**$ 4,513,646**	$ 6,069,919
International fixed income mutual funds	**558,483**	605,123
Equity securities	**12,544,637**	16,815,587
International equity mutual funds	**–**	1,163,650
U.S. equity mutual funds	**1,854,348**	2,589,766
Real estate investment trusts	**133,519**	16,407
	$ 19,604,633	$ 27,260,452

The System's unrestricted investment income for the years ended September 30 consisted of the following:

	2011	2010
Interest income	**$ 314,262**	$ 350,807
Net realized gains on sales of investments	**2,357,007**	715,584
Income on assets held in externally administered trusts	**303,954**	285,654
	2,975,223	1,352,045
Change in fair value of investments	**(2,513,288)**	817,068
	$ 461,935	$ 2,169,113

RIDOH 0644

5. Endowment

The System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as they relate to its permanently restricted endowments. The System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds held by the System. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The System classifies restricted donor funds in accordance with the state of Rhode Island and generally accepted accounting principles. The System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the accumulation of the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by the state laws of Rhode Island and UPMIFA. The System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

RIDOH 0645

5. Endowment (continued)

For the years ended September 30, 2011 and 2010, the System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, October 1, 2009	$ –	$ 3,124,158	$ 3,124,158
Investment returns:			
Investment income	657,837	–	657,837
Net appreciation (realized and unrealized)	111,935	–	111,935
Total investment return	769,772	–	769,772
Appropriation of endowment assets for expenditure	(657,837)	–	(657,837)
Permanently restricted endowment contributions	–	34	34
Endowment net assets, September 30, 2010	111,935	3,124,192	3,236,127
Investment returns:			
Investment income	**620,084**	–	**620,084**
Net appreciation (realized and unrealized)	**356,423**	–	**356,423**
Total investment return	**976,507**	–	**976,507**
Appropriation of endowment assets for expenditure	**(620,084)**	–	**(620,084)**
Permanently restricted endowment contributions	–	**23**	**23**
Endowment net assets, September 30, 2011	**$ 468,358**	**$ 3,124,215**	**$ 3,592,573**

RIDOH 0646

5. Endowment (continued)

It is the policy of the System that any appropriations from the appreciation in endowment funds be periodically requested of and approved by the Board of Trustees.

From time to time, the fair value of the assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the System to retain as a fund of perpetual duration. There are no deficiencies of this nature which are reported in unrestricted net assets as of September 30, 2011.

6. Line of Credit

The Hospital has an unsecured revolving line of credit with a bank which provides for borrowings of up to $5,000,000 for both fiscal 2011 and 2010. Interest accrues at an effective rate of LIBOR plus 3.5% (4.75% at September 30, 2011).

7. Property and Equipment

Property and equipment consisted of the following at September 30:

	2011	2010
Property and equipment:		
Land	$ 1,912,714	$ 1,912,714
Land improvements	1,585,672	1,561,672
Buildings and improvements	49,732,041	48,598,011
Equipment	62,133,700	60,915,758
	115,364,127	112,988,155
Less accumulated depreciation	(82,583,239)	(78,447,085)
	32,780,888	34,541,070
Construction in progress	777,495	–
	$ 33,558,383	$ 34,541,070

RIDOH 0647

8. Long-Term Debt

Long-term debt consists of the following at September 30:

	2011	2010
Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Refunding Bonds	**$ 12,520,000**	$ 14,080,000
Add premium	**173,484**	195,868
	12,693,484	14,275,868
Less current portion	**(1,587,385)**	(1,582,385)
Long-term debt	**$ 11,106,099**	$ 12,693,483

In December 2003, the Rhode Island Health and Educational Building Corporation (RIHEBC) issued $25,000,000 of Series 2003 Hospital Financing Revenue Refunding Bonds (the Bonds) on behalf of the Hospital. RIHEBC loaned the proceeds of the Bonds to the Hospital pursuant to the Loan and Trust Agreement (the Agreement) dated December 1, 2003. The terms of the Agreement stipulate that interest will be paid at fixed rates ranging from 4.00% to 5.25% per annum (weighted-average rate at September 30, 2011 and 2010, was 4.59% and 4.53%, respectively), with principal installments commencing July 1, 2004, and ending July 1, 2019.

The Bonds are issued under and collateralized by the Agreement. The terms of the Agreement require that the Hospital make quarterly payments to the trustee which are sufficient to provide for payment of principal and interest due on the Bonds. The Bonds are collateralized by a lien on the Hospital's gross receipts. Additional debt collateralized on a parity with the Bonds may only be incurred by the Hospital in accordance with restrictions of the Agreement.

As required by the Agreement, the bonds are secured by a letter of credit from a commercial bank. Accordingly, the Hospital has entered into a Reimbursement Agreement, dated December 1, 2003 (Reimbursement Agreement), and an Unrestricted Endowment Account Control Agreement dated July 31, 2009 (Account Control Agreement). Under the terms of the Reimbursement Agreement the Hospital must meet the requirements of certain covenants. The Account Control Agreement grants the bank a security interest in certain investments held by the Hospital. For the year ended September 30, 2011, the Hospital was not in compliance with the required minimum cash flow coverage ratio covenant required by the Reimbursement Agreement. Under the terms of an Amendment to the Reimbursement Agreement dated February 29, 2012 (Amendment), the required minimum cash flow coverage ratio covenant was

RIDOH 0648

8. Long-Term Debt (continued)

waived for each of the 4 quarters ending September 30, 2011 and December 31, 2011. In addition, the requirement to provide annual audited financial statements to the trustee by February 27, 2012 was also waived. The amendment to the reimbursement agreement amends certain sections of the original reimbursement agreement and requires the Hospital to: fund a debt service fund in an amount equal to the monthly pro-rata portion of the annual debt service on the bonds; release funds to repay the existing line of credit and fund operating losses; and meet certain transaction milestones in fiscal year 2013. The Amendment also limits the amount of monthly losses from operations. As of September 30, 2011, December 31, 2011 and March 8, 2012 the Hospital was in compliance with the terms of the amended Reimbursement Agreement.

The aggregate maturities of long-term debt (prior to amortization of premium) for the next five fiscal years ending September 30 and thereafter are approximately as follows:

2012	$ 1,565,000
2013	1,565,000
2014	1,565,000
2015	1,565,000
2016	1,565,000
Thereafter	4,695,000

Cash paid for interest on all borrowings during the years ended September 30, 2011 and 2010, was approximately $1,182,000 and $1,325,000, respectively.

The fair value of long-term debt is reported in the accompanying consolidated balance sheets at principal value, plus unamortized premium, which totaled $12,693,484 at September 30, 2011. The fair value of these obligations at September 30, 2011, as estimated based on quoted market prices for similar bonds, totaled $12,967,120.

9. Pension Plan

The Hospital has a defined benefit pension plan (the Plan) covering substantially all of its employees. The plan benefits are based on years of service and employees' compensation during the last five years of covered employment. The Hospital makes annual contributions to the Plan, which approximates the amount of net periodic pension cost. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

RIDOH 0649

9. Pension Plan (continued)

The following table sets forth the status of the Plan as of September 30:

	2011	2010
Change in benefit obligation		
Projected benefit obligation at beginning of year	**$ 117,225,365**	$ 107,433,658
Service cost	**3,983,898**	3,657,470
Interest cost	**6,493,864**	6,134,459
Benefits paid	**(3,380,071)**	(3,116,215)
Actuarial loss	**6,700,716**	3,115,993
Projected benefit obligation at end of year	**131,023,772**	117,225,365
Change in plan assets		
Fair value of plan assets at beginning of year	**80,633,618**	70,534,801
Actual return on plan assets	**(483,104)**	6,938,041
Contributions and transfers	**5,957,955**	6,276,991
Benefits paid	**(3,380,071)**	(3,116,215)
Fair value of plan assets at end of year	**82,728,398**	80,633,618
Unfunded status	**$ (48,295,374)**	$ (36,591,747)

Included in unrestricted net assets at September 30 are the following amounts that have not yet been recognized in net periodic benefit cost:

	2011	2010
Unrecognized actuarial loss	**$ 47,573,253**	$ 35,457,212
Unrecognized prior service credit	**(43,390)**	(51,978)
	$ 47,529,863	$ 35,405,234

RIDOH 0650

9. Pension Plan (continued)

The actuarial loss and prior service credit included in unrestricted net assets at September 30, 2011, and expected to be recognized in net periodic benefit cost during the year ending September 30, 2012, are as follows:

Unrecognized actuarial loss	$ 3,565,188
Unrecognized prior service credit	(11,020)
	$ 3,554,168

Components of net periodic pension cost are as follows for the years ended September 30:

	2011	2010
Service cost – benefits earned during the year	**$ 3,983,898**	$ 3,657,470
Interest cost on projected benefit obligation	**6,493,864**	6,134,459
Actual return on plan assets	**(7,353,230)**	(6,461,353)
Net amortization and deferral	**2,412,421**	2,149,489
Net periodic pension cost	**$ 5,536,953**	$ 5,480,065

Assumptions

Weighted-average assumptions used to determine benefit obligations and net periodic pension cost at September 30, 2011 and 2010, and for the years then ended are as follows:

	Benefit Obligations		Net Periodic Pension Cost	
	2011	2010	2011	2010
Discount rate	**5.40%**	5.63%	**5.63%**	5.80%
Expected rate of return on plan assets	**9.00%**	9.00%	**9.00%**	9.00%
Rate of compensation increase	**2.00%**	2.00%	**2.00%**	2.00%

The expected rate of return on plan assets was determined by the expected return on each asset class based on a model that considers historical and expected future performance.

RIDOH 0651

9. Pension Plan (continued)

The accumulated benefit obligation was $120,867,716 and $106,313,277 at September 30, 2011 and 2010, respectively.

Plan Assets

The Plan weighted-average asset allocations as of September 30, by asset category, are as follows:

	Target Allocation	2011	2010
Equity securities	33%	**30%**	34%
Annuities	50	**52**	47
Debt securities	13	**13**	12
Alternative investments	4	**2**	2
Cash equivalents	0	**3**	5
Total	100%	**100%**	100%

The goals of the Plan are to provide a secure retirement benefit for plan participants and to manage plan assets for the exclusive benefit of the participants. The invested assets will be managed on a long-term total return basis and measured against established benchmarks for each asset class. Risk management is achieved by limiting the size of asset class and individual security positions to achieve adequate diversification. The Plan will maintain a funded level sufficient to ensure benefit security.

9. Pension Plan (continued)

Financial instruments in the Plan, carried at fair value as of September 30, 2011, are classified in the following table in the following categories (see Note 14 for a description):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,522,006	$ –	$ –	$ 2,522,006
U.S. government fixed income	1,915,474	–	–	1,915,474
U.S. government asset backed fixed income	2,188,533	–	–	2,188,533
U.S. fixed income mutual funds	2,079,734	–	–	2,079,734
International fixed income mutual funds	4,585,669	–	–	4,585,669
Equity securities:				
Consumer goods	4,509,776	–	–	4,509,776
Energy	1,721,414	–	–	1,721,414
Financials	2,762,042	–	–	2,762,042
Health care	3,737,057	–	–	3,737,057
Industrials	1,951,437	–	–	1,951,437
Information technology	4,142,975	–	–	4,142,975
Materials	653,178	–	–	653,178
Telecommunication services	437,620	–	–	437,620
Utilities	764,083	–	–	764,083
Total equity securities	20,679,583	–	–	20,679,583
International equity mutual funds	2,317,637	–	–	2,317,637
U.S. equity mutual funds	2,118,733	–	–	2,118,733
Real estate investment trusts	1,269,466	–	–	1,269,466
Investments at fair value	$ 39,676,836	$ –	$ –	39,676,836
Investments not at fair value – guaranteed annuity contracts				43,051,562
Total investments				$ 82,728,398

RIDOH 0653

9. Pension Plan (continued)

Financial instruments in the Plan, carried at fair value as of September 30, 2010, are classified in the following table in the following categories (see Note 14 for a description):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 2,787,989	$ –	$ –	$ 2,787,989
U.S. government fixed income	2,506,359	–	–	2,506,359
U.S. government asset backed fixed income	1,106,642	–	–	1,106,642
U.S. fixed income mutual funds	4,215,221	–	–	4,215,221
International fixed income mutual funds	2,174,770	–	–	2,174,770
Equity securities:				
Consumer goods	4,658,347	–	–	4,658,347
Energy	2,237,292	–	–	2,237,292
Financials	2,944,568	–	–	2,944,568
Health care	4,347,529	–	–	4,347,529
Industrials	2,082,547	–	–	2,082,547
Information technology	5,296,819	–	–	5,296,819
Materials	1,052,634	–	–	1,052,634
Telecommunication services	479,340	–	–	479,340
Utilities	767,062	–	–	767,062
Total equity securities	23,866,138	–	–	23,866,138
International equity mutual funds	2,620,520	–	–	2,620,520
U.S. equity mutual funds	2,533,313	–	–	2,533,313
Real estate investment trusts	1,374,645	–	–	1,374,645
Investments at fair value	$ 43,185,597	$ –	$ –	43,185,597
Investments not at fair value – guaranteed annuity contracts				37,448,021
Total investments				$ 80,633,618

RIDOH 0654

9. Pension Plan (continued)

Cash Flows

Contributions

The Hospital funds the Plan in accordance with guidelines prescribed by the Employee Retirement Income Security Act of 1974 (ERISA). The Plan's contribution requirement is not yet known. Actual contributions for the fiscal year ending September 30, 2012, will be based on the contribution requirement and other factors, including the September 30, 2012, disclosure status.

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, are expected to be paid as follows:

2012	$ 4,720,000
2013	5,028,000
2014	5,332,000
2015	5,596,000
2016	6,090,000
2017 – 2021	37,923,000

10. Estimated Self-Insurance Liabilities

Professional Liability Insurance

Effective July 1, 2004, professional liability insurance coverage was provided on an occurrence basis. Such coverage was provided on a claims-made basis through June 30, 2004. The claims-made policies cover only claims made during the terms of the policies and not those occurrences for which claims may be made after expiration of the policies. The System is self-insured with respect to incurred but not reported (IBNR) claims incurred prior to July 1, 2004. Accordingly, the System has established a liability for such IBNR exposure of $579,313 and $582,000 at September 30, 2011 and 2010, respectively.

RIDOH 0655

10. Estimated Self-Insurance Liabilities (continued)

Workers' Compensation Insurance

The System is self-insured with respect to workers' compensation risks up to a maximum of $350,000 per claim. The provision for estimated self-insured workers' IBNR compensation claims includes estimates of the ultimate costs for both reported claims and claims. The estimates incorporate the System's past experience, as well as other considerations.

11. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements. The percentage of accounts receivable from patients and various third-party payors was as follows at September 30:

	2011	2010
Medicare	**28%**	26%
Blue Cross	**17**	19
Medicaid	**13**	18
Other third-party payors	**26**	24
Patients	**16**	13
	100%	100%

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30:

	2011	2010
General activities	**$ 741,145**	$ 805,860
Research	**88,451**	97,478
Net appreciation (realized and unrealized)	**468,358**	111,935
	$ 1,297,954	$ 1,015,273

RIDOH 0656

12. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets consist of the following at September 30:

	2011	2010
Principal portion of contributions restricted in perpetuity by donors	**$ 3,124,215**	$ 3,124,192
Assets held in externally administered trusts	**6,345,138**	6,588,975
	$ 9,469,353	$ 9,713,167

13. Commitments and Contingencies

The System is a defendant in several lawsuits, which are in various stages of progress or discovery. Management believes that its insurance coverage is adequate to cover claims made under all such lawsuits and, accordingly, no provision for loss has been reflected in the accompanying consolidated financial statements.

14. Fair Value Measurement

The System applies the methods of calculating fair value defined in Accounting Standards Codification (ASC) 820-10 to value its financial assets and liabilities, where applicable. ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. ASC 820-10 applies to other accounting pronouncements that require or permit fair value measurements, and does not require new fair value measurements. Fair value measurements are applied based on the unit of account from the reporting entity's perspective.

The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

RIDOH 0657

14. Fair Value Measurement (continued)

ASC 820 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers nonperformance risk in its assessment of fair value.

RIDOH 0658

14. Fair Value Measurement (continued)

Financial assets, excluding assets held in the Plan, carried at fair value as of September 30, 2011, are classified in the following table in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 3,244,820	$ –	$ –	$ 3,244,820
U.S. government fixed income	632,308	–	–	632,308
U.S. government asset backed fixed income	491,089	–	–	491,089
U.S. fixed income mutual funds	3,390,249	–	–	3,390,249
International fixed income mutual funds	558,483	–	–	558,483
Equity securities:				
Consumer goods	1,734,679	–	–	1,734,679
Energy	960,040	–	–	960,040
Financials	1,461,567	–	–	1,461,567
Health care	1,520,878	–	–	1,520,878
Industrials	1,568,441	–	–	1,568,441
Information technology	2,273,925	–	–	2,273,925
Materials	330,008	–	–	330,008
Telecommunication services	249,729	–	–	249,729
Utilities	273,392	–	–	273,392
Other	442,572	–	–	442,572
Real estate	1,729,406	–	–	1,729,406
U.S. equity mutual funds	1,854,348	–	–	1,854,348
Real estate investment trusts	133,519	–	–	133,519
Common collective trusts	–	6,345,138	–	6,345,138
Investments at fair value	$ 22,849,453	$ 6,345,138	$ –	29,194,591
Interest and other receivables				1,207,623
Pledge receivable				56,325
Total cash and cash equivalents and investments				$ 30,458,539

RIDOH 0659

14. Fair Value Measurement (continued)

Financial assets carried at fair value as of September 30, 2010, are classified in the following table in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 6,748,811	$ –	$ –	$ 6,748,811
U.S. government fixed income	631,504	–	–	631,504
U.S. government asset backed fixed income	1,013,848	–	–	1,013,848
U.S. fixed income mutual funds	4,424,567	–	–	4,424,567
International fixed income mutual funds	605,123	–	–	605,123
Equity securities:				
Consumer goods	2,437,634	–	–	2,437,634
Energy	1,169,031	–	–	1,169,031
Financials	2,265,342	–	–	2,265,342
Health care	2,108,055	–	–	2,108,055
Industrials	2,588,240	–	–	2,588,240
Information technology	2,958,926	–	–	2,958,926
Materials	701,779	–	–	701,779
Telecommunication services	285,393	–	–	285,393
Utilities	289,241	–	–	289,241
Other	681,677	–	–	681,677
Real estate	1,330,269	–	–	1,330,269
U.S. equity mutual funds	2,589,766	–	–	2,589,766
International equity mutual funds	1,163,650	–	–	1,163,650
Real estate investment trusts	16,407	–	–	16,407
Common collective trusts	–	6,588,975	–	6,588,975
Investments at fair value	$ 34,009,263	$ 6,588,975	$ –	40,598,238
Interest and other receivables				1,211,401
Pledge receivable				202,392
Total cash and cash equivalents and investments				$ 42,012,031

RIDOH 0660

14. Fair Value Measurement (continued)

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 assets is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources including market participants, dealers, and brokers. The valuation for alternative investments included in Level 2 are stated at fair value, as estimated in an unquoted market. Fair value for alternative investments is determined for each investment using net asset values as a practical expedient, as permitted by generally accepted accounting principles, rather than using another valuation method to independently estimate fair value. The methods described above may produce a fair value that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the System believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

15. Subsequent Events

In accordance with ASC 855-10, *Subsequent Events*, management has evaluated subsequent events through March 9, 2012, which is the date the consolidated financial statements were issued. No events have occurred that require disclosure or adjustment of the consolidated financial statements.

RIDOH 0661

Other Financial Information

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116-5072
Tel + 1 617 266 2000
Fax + 1 617 266 5843
www.ey.com

Report of Independent Auditors on Other Financial Information

Board of Trustees
Southeastern Healthcare System, Inc.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

March 9, 2012

A member firm of Ernst & Young Global Limited

RIDOH 0663

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet

September 30, 2011

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets											
Cash and cash equivalents	$ 789,126	$ 374,867	$ 2,366	$ –	$ 1,166,359	$ 14,361	$ 212,996	$ 527,948	$ 1,921,664	$ -	$ 1,921,664
Current portion of assets whose use is limited	1,908,648	–	–	–	1,908,648	–	–	–	1,908,648	–	1,908,648
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $10,431,000 in 2011	33,188,335	–	78,432	–	33,266,767	2,458	–	–	33,269,225	–	33,269,225
Other accounts receivable	1,091,996	10,358	5,105	–	1,107,459	35,359	98,671	–	1,241,489	(31,803)	1,209,686
Estimated settlements with third-party payors	1,695,156	–	–	–	1,695,156	–	–	–	1,695,156	–	1,695,156
Inventories	737,772	–	6,825	–	744,597	–	–	–	744,597	–	744,597
Prepaid expenses and other	876,596	7,693	–	–	884,289	–	15,094	–	899,383	–	899,383
Total current assets	40,287,629	392,918	92,728	–	40,773,275	52,178	326,761	527,948	41,680,162	(31,803)	41,648,359
Assets limited as to use											
By the Board for designated purposes	17,814,556	–	–	(225,022)	17,589,534	512,716	–	–	18,102,250	6,557	18,108,807
By the Board for designated purposes – Littlefield	1,526,100	-	-	-	1,526,100	-	-	-	1,526,100	-	1,526,100
Pledges receivable	56,325	-	-	-	56,325	-	-	-	56,325	-	56,325
By donors for designated purposes	1,297,954	-	-	-	1,297,954	-	-	-	1,297,954	-	1,297,954
By donors for permanent endowment	3,124,215	-	-	-	3,124,215	-	-	-	3,124,215	-	3,124,215
By externally administered trusts	6,345,138	-	-	-	6,345,138	-	-	-	6,345,138	-	6,345,138
	30,164,288	–	–	(225,022)	29,939,266	512,716	–	–	30,451,982	6,557	30,458,539
Less amount required to meet current obligations	(1,908,648)	–	–	–	(1,908,648)	–	–	–	(1,908,648)	–	(1,908,648)
	28,255,640	–	–	(225,022)	28,030,618	512,716	–	–	28,543,334	6,557	28,549,891
Property and equipment, net	33,011,001	525,029	4,083	–	33,540,113	–	18,270	–	33,558,383	–	33,558,383
Deferred financing costs, net	207,326	–	–	–	207,326	–	–	–	207,326	–	207,326
Total assets	$ 101,761,596	$ 917,947	$ 96,811	$ (225,022)	$ 102,551,332	$ 564,894	$ 345,031	$ 527,948	$ 103,989,205	$ (25,246)	$ 103,963,959

RIDOH 0664

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet (continued)

September 30, 2011

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities											
Accounts payable and accrued expenses	$ 22,237,145	$ 244,288	$ 212,350	$ (225,022)	$ 22,468,761	$ 22,442	$ 89,717	$ –	$ 22,580,920	$ (25,246)	$ 22,555,674
Deferred revenue	–	–	–	–	–	–	54,804	–	54,804	–	54,804
Accrued interest payable	143,784	–	–	–	143,784	–	–	–	143,784	–	143,784
Current portion of long–term debt and capital lease obligations	1,587,385	–	–	–	1,587,385	–		–	1,587,385	–	1,587,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	28,968,314	244,288	212,350	(225,022)	29,199,930	22,442	144,521	–	29,366,893	(25,246)	29,341,647
Long-term pension liability	48,295,374	–	–	–	48,295,374	–	–	–	48,295,374	–	48,295,374
Long-term debt, net of current portion	11,106,099	–	–	–	11,106,099	–	–	–	11,106,099	–	11,106,099
Estimated self-insurance liabilities and other liabilities	977,468	–	–	–	977,468	–	–	–	977,468	–	977,468
Total liabilities	89,347,255	244,288	212,350	(225,022)	89,578,871	22,442	144,521	–	89,745,834	(25,246)	89,720,588
Net assets:											
Unrestricted	1,647,034	673,659	(115,539)	–	2,205,154	542,452	200,510	527,948	3,476,064	–	3,476,064
Temporarily restricted	1,297,954	–	–	–	1,297,954	–	–	–	1,297,954	–	1,297,954
Permanently restricted	9,469,353	–	–	–	9,469,353	–	–	–	9,469,353	–	9,469,353
Total net assets	12,414,341	673,659	(115,539)	–	12,972,461	542,452	200,510	527,948	14,243,371	–	14,243,371
Total liabilities and net assets	$ 101,761,596	$ 917,947	$ 96,811	$ (225,022)	$ 102,551,332	$ 564,894	$ 345,031	$ 527,948	$ 103,989,205	$ (25,246)	$ 103,963,959

RIDOH 0665

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet

September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets											
Cash and cash equivalents	$ 337,609	$ 370,642	$ 14,926	$ –	$ 723,177	$ 6,856	$ 254,673	$ 517,132	$ 1,501,838	$ –	$ 1,501,838
Current portion of assets whose use is limited	2,936,344	–	–	–	2,936,344	–	–	–	2,936,344	–	2,936,344
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $9,772,000 in 2010	32,482,006	–	24,876	–	32,506,882	2,458	–	–	32,509,340	–	32,509,340
Other accounts receivable	1,375,803	5,299	6,671	–	1,387,773	31,146	102,101	10,000	1,531,020	(27,407)	1,503,613
Estimated settlements with third-party payors	2,466,273	–	–	–	2,466,273	–	–	–	2,466,273	–	2,466,273
Inventories	802,038	–	6,825	–	808,863	–	–	–	808,863	–	808,863
Prepaid expenses and other	843,458	10,798	1,058	–	855,314	–	6,718	–	862,032	–	862,032
Total current assets	41,243,531	386,739	54,356	–	41,684,626	40,460	363,492	527,132	42,615,710	(27,407)	42,588,303
Assets limited as to use											
By the Board for designated purposes	29,326,415	–	–	(213,804)	29,112,611	512,716	–	–	29,625,327	16,739	29,642,066
By the Board for designated purposes – Littlefield	1,439,133	–	–	–	1,439,133	–	–	–	1,439,133	–	1,439,133
Pledges receivable	202,392	–	–	–	202,392	–	–	–	202,392	–	202,392
By donors for designated purposes	1,015,273	–	–	–	1,015,273	–	–	–	1,015,273	–	1,015,273
By donors for permanent endowment	3,124,192	–	–	–	3,124,192	–	–	–	3,124,192	–	3,124,192
By externally administered trusts	6,588,975	–	–	–	6,588,975	–	–	–	6,588,975	–	6,588,975
Deferred compensation	–	–	–	–	–	–	–	–	–	–	–
	41,696,380	–	–	(213,804)	41,482,576	512,716	–	–	41,995,292	16,739	42,012,031
Less amount required to meet current obligations	(2,936,344)	–	–	–	(2,936,344)	–	–	–	(2,936,344)	–	(2,936,344)
	38,760,036	–	–	(213,804)	38,546,232	512,716	–	–	39,058,948	16,739	39,075,687
Property and equipment, net	33,908,209	600,775	6,796	–	34,515,780	–	25,290	–	34,541,070	–	34,541,070
Deferred financing costs, net	234,078	–	–	–	234,078	–	–	–	234,078	–	234,078
Total assets	$ 114,145,854	$ 987,514	$ 61,152	$ (213,804)	$ 114,980,716	$ 553,176	$ 388,782	$ 527,132	$ 116,449,806	$ (10,668)	$ 116,439,138

RIDOH 0666

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet (continued)

September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities											
Accounts payable and accrued expenses	$ 24,669,860	$ 298,255	$ 165,284	$ (213,804)	$ 24,919,595	$ 12,849	$ 91,769	$ –	$ 25,024,213	$ (10,668)	$ 25,013,545
Deferred revenue	–	–	–	–	–	–	43,833	–	43,833	–	43,833
Accrued interest payable	159,384	–	–	–	159,384	–	–	–	159,384	–	159,384
Current portion of long-term debt and capital lease obligations	1,582,385	–	–	–	1,582,385	–	–	–	1,582,385	–	1,582,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	31,411,629	298,255	165,284	(213,804)	31,661,364	12,849	135,602	–	31,809,815	(10,668)	31,799,147
Long-term pension liability	36,591,747	–	–	–	36,591,747	–	–	–	36,591,747	–	36,591,747
Long-term debt, net of current portion	12,693,483	–	–	–	12,693,483	–	–	–	12,693,483	–	12,693,483
Estimated self-insurance liabilities and other liabilities	981,582	–	–	–	981,582	–	–	–	981,582	–	981,582
Other long-term liabilities	82,500	–	–	–	82,500	–	–	–	82,500	–	82,500
Total liabilities	81,760,941	298,255	165,284	(213,804)	82,010,676	12,849	135,602	–	82,159,127	(10,668)	82,148,459
Net assets											
Unrestricted	21,656,473	689,259	(104,132)	–	22,241,600	540,327	253,180	527,132	23,562,239	–	23,562,239
Temporarily restricted	1,015,273	–	–	–	1,015,273	–	–	–	1,015,273	–	1,015,273
Permanently restricted	9,713,167	–	–	–	9,713,167	–	–	–	9,713,167	–	9,713,167
Total net assets	32,384,913	689,259	(104,132)	–	32,970,040	540,327	253,180	527,132	34,290,679	–	34,290,679
Total liabilities and net assets	$ 114,145,854	$ 987,514	$ 61,152	$ (213,804)	$ 114,980,716	$ 553,176	$ 388,782	$ 527,132	$ 116,449,806	$ (10,668)	$ 116,439138

RIDOH 0667

Southeastern Healthcare System, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30 2011

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Operating revenues														
Net patient service revenue	$ 149,274,990	$ 7,411,065	$ 12,184,977	$ 168,871,032	$ –	$ 776,172	$ –	$ 169,647,204	$ –	$ –	$ –	$ 169,647,204	$ –	$ 169,647,204
Other revenue	8,930,250	–	–	8,930,250	761,079	26,370	(245,840)	9,471,859	5,002	1,355,420	60,816	10,893,097	(60,000)	10,833,097
Net assets released from restrictions for operations	22,437	–	–	22,437	–	–	–	22,437	–	–	–	22,437	–	22,437
Total operating revenues	158,227,677	7,411,065	12,184,977	177,823,719	761,079	802,542	(245,840)	179,141,500	5,002	1,355,420	60,816	180,562,738	(60,000)	180,502,738
Operating expenses:														
Salaries and wages	71,312,913	5,192,191	7,430,763	83,935,867	–	651,131	146,154	84,733,152	–	377,721	–	85,110,873	36,000	85,146,873
Employee benefits	27,604,158	1,713,423	795,886	30,113,467	–	170,318	–	30,283,785	–	157,159	–	30,440,944	–	30,440,944
Supplies, purchased services and other	39,905,572	425,808	2,794,301	43,125,681	569,476	271,422	(391,994)	43,574,585	2,877	765,307	60,000	44,402,769	(96,000)	44,306,769
Provision for bad debts	15,132,284	–	1,220,485	16,352,769	–	18,365	–	16,371,134	–	–	–	16,371,134	–	16,371,134
Depreciation and amortization	4,162,282	–	–	4,162,282	107,203	2,713	–	4,472,198	–	7,903	–	4,280,101	–	4,280,101
Licensing fee	7,549,028	–	–	7,549,028	–	–	–	7,549,028	–	–	–	7,549,028	–	7,549,028
Interest	1,143,902	–	–	1,143,902	–	–	–	1,143,902	–	–	–	1,143,902	–	1,143,902
Total expenses	166,810,139	7,331,422	12,241,435	186,382,996	676,679	1,113,949	(245,840)	187,927,784	2,877	1,308,090	60,000	189,298,751	(60,000)	189,238,751
(Loss) gain from operations	(8,582,462)	79,643	(56,458)	(8,559,277)	84,400	(311,407)	–	(8,786,284)	2,125	47,330	816	(8,736,013)	–	(8,736,013)
Nonoperating gains (losses)														
Investment income	314,262	–	–	314,262	–	–	–	314,262	–	–	–	314,262	–	314,262
Net realized gains on sales of investments	2,357,007	–	–	2,357,007	–	–	–	2,357,007	–	–	–	2,357,007	–	2,357,007
Unrestricted donations	104,252	–	–	104,252	–	–	–	104,252	–	–	–	104,252	–	104,252
Income on externally administered trusts	303,954	–	–	303,954	–	–	–	303,954	–	–	–	303,954	–	303,954
Total nonoperating gains	3,079,475	–	–	3,079,475	–	–	–	3,079,475	–	–	–	3,079,475	–	3,079,475
(Deficiency) excess of revenue over expenses before change in appreciation of investments	(5,502,987)	79,643	(56,458)	(5,479,802)	84,400	(311,407)	–	(5,706,809)	2,125	47,330	816	(5,656,538)	–	(5,656,538)
Change in fair value of investments	(2,513,288)	–	–	(2,513,288)	–	–	–	(2,513,288)	–	–	–	(2,513,288)	–	(2,513,288)
(Deficiency) excess of revenue over expenses	$ (8,016,275)	$ 79,643	$ (56,458)	$ (7,993,090)	$ 84,400	$ (311,407)	$ –	$ (8,220,097)	$ 2,125	$ 47,330	$ 816	$ (8,169,826)	$ –	$ (8,169,826)

RIDOH 0668

Southeastern Healthcare System, Inc.

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2011

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets											
(Deficiency) excess of revenues over expenses	$ (7,993,090)	$ 84,400	$ (311,407)	$ –	$ (8,220,097)	$ 2,125	$ 47,330	$ 816	$ (8,169,826)	$ –	$ (8,169,826)
Change in pension liability	(12,124,629)	–	–	–	(12,124,629)	–	–	–	(12,124,629)	–	(12,124,629)
Cumulative effect of a change in accounting principle											
Intercompany transfer	(100,000)	(100,000)	300,000	–	100,000	–	(100,000)	–	–	–	–
Contribution of long-lived assets											
Net assets released from restrictions	155,906	–	–	–	155,906	–	–	–	155,906	–	155,906
Net assets released from restrictions used for purchase of property, plant and equipment	52,374	–	–	–	52,374	–	–	–	52,374	–	52,374
(Decrease) increase in unrestricted net assets	(20,009,439)	(15,600)	(11,407)	–	(20,036,446)	2,125	(52,670)	816	(20,086,175)	–	(20,086,175)
Change in temporarily restricted net assets											
Contributions	12,508	–	–	–	12,508	–	–	–	12,508	–	12,508
Investment income	144,467	–	–	–	144,467	–	–	–	144,467	–	144,467
Net appreciation (realized and unrealized)	356,423	–	–	–	356,423	–	–	–	356,423	–	356,423
Net assets released from restrictions	(230,717)	–	–	–	(230,717)	–	–	–	(230,717)	–	(230,717)
Increase in temporarily restricted net assets	282,681	–	–	–	282,681	–	–	–	282,681	–	282,681
Change in permanently restricted net assets											
Restricted donations	23	–	–	–	23	–	–	–	23	–	23
Net depreciation on assets held in externally administered trusts	(243,837)	–	–	–	(243,837)	–	–	–	(243,837)	–	(243,837)
Increase in permanently restricted net assets	(243,814)	–	–	–	(243,814)	–	–	–	(243,814)	–	(243,814)
(Decrease) increase in net assets	(19,970,572)	(15,600)	(11,407)	–	(19,997,579)	2,125	(52,670)	816	(20,047,308)	–	(20,047,308)
Net assets, beginning of year	32,384,913	689,259	(104,132)	–	32,970,040	540,327	253,180	527,132	34,290,679	–	34,290,679
Net assets, end of year	$ 12,414,341	$ 673,659	$ (115,539)	$ –	$ 12,972,461	$ 542,452	$ 200,510	$ 527,948	$ 14,243,371	$ –	$ 14,243,371

RIDOH 0669

Southeastern Healthcare System, Inc

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30 2010

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Operating revenues														
Net patient service revenue	$ 153,671,942	$ 7,157,061	$ 11,781,163	$ 172,610,166	$ –	$ 708,699	$ –	$ 173,318,865	$ –	$ –	$ –	$ 173,318,865	$ –	$ 173,318,865
Other revenue	8,181,027	–	–	8,181,027	792,381	50,840	(261,094)	8,763,154	5,004	1,473,320	60,006	10,301,484	(60,000)	10,241,484
Net assets released from restrictions for operations	108,887	–	–	108,887	–	–	–	108,887	–	–	–	108,887	–	108,887
Total operating revenues	161,961,856	7,157,061	11,781,163	180,900,080	792,381	759,539	(261,094)	182,190,906	5,004	1,473,320	60,006	183,729,236	(60,000)	183,669,236
Operating expenses														
Salaries and wages	71,194,286	4,955,029	7,095,175	83,244,490	–	614,676	153,730	84,012,896	–	376,137	–	84,389,033	36,000	84,425,033
Employee benefits	26,508,509	1,635,161	784,828	28,928,498	–	174,785	–	29,103,283	–	153,930	–	29,257,213	–	29,257,213
Supplies, purchased services and other	41,256,370	464,134	2,808,782	44,529,286	570,642	305,607	(414,824)	44,990,711	5,771	834,274	60,036	45,890,792	(96,000)	45,794,792
Provision for bad debts	14,281,122	–	1,355,452	15,636,574	–	20,842	–	15,657,416	–	–	–	15,657,416	–	15,657,416
Depreciation and amortization	4,064,590	–	–	4,064,590	107,318	2,807	–	4,174,715	–	9,190	–	4,183,905	–	4,183,905
Licensing fee	7,178,101	–	–	7,178,101	–	–	–	7,178,101	–	–	–	7,178,101	–	7,178,101
Interest	1,287,152	–	–	1,287,152	–	–	–	1,287,152	–	–	–	1,287,152	–	1,287,152
Total expenses	165,770,130	7,054,324	12,044,237	184,868,691	677,960	1,118,717	(261,094)	186,404,274	5,771	1,373,531	60,036	187,843,612	(60,000)	187,783,612
(Loss) gain from operations	(3,808,274)	102,737	(263,074)	(3,968,611)	114,421	(359,178)	–	(4,213,368)	(767)	99,789	(30)	(4,114,376)	–	(4,114,376)
Nonoperating gains (losses)														
Investment income	500,621	–	–	500,621	–	–	150,000	350,621	–	186	500,000	850,807	(500,000)	350,807
Net realized gains on sales of investments	715,584	–	–	715,584	–	–	–	715,584	–	–	–	715,584	–	715,584
Unrestricted donations	233,654	–	–	233,654	–	–	–	233,654	–	–	–	233,654	–	233,654
Income on externally administered trusts	285,654	–	–	285,654	–	–	–	285,654	–	–	–	285,654	–	285,654
Total nonoperating gains	1,735,513	–	–	1,735,513	–	–	(150,000)	1,585,513	–	186	500,000	2,085,699	(500,000)	1,585,699
(Deficiency) excess of revenue over expenses before change in appreciation of investments	(2,072,761)	102,737	(263,074)	(2,233,098)	114,421	(359,178)	(150,000)	(2,627,855)	(767)	99,975	499,970	(2,028,677)	(500,000)	(2,528,677)
Change in fair value of investments	817,068	–	–	817,068	–	–	–	817,068	–	–	–	817,068	–	817,068
(Deficiency) excess of revenue over expenses	$ (1,255,693)	$ 102,737	$ (263,074)	$ (1,416,030)	$ 114,421	$ (359,178)	$ (150,000)	$ (1,810,787)	$ (767)	$ 99,975	$ 499,970	$ (1,211,609)	$ (500,000)	$ (1,711,609)

RIDOH 0670

Southeastern Healthcare System, Inc.

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets											
(Deficiency) excess of revenues over expenses	$ (1,416,030)	$ 114,421	$ (359,178)	$ (150,000)	$ (1,810,787)	$ (767)	$ 99,975	$ 499,970	$ (1,211,609)	$ (500,000)	$ (1,711,609)
Change in pension liability	(281,586)	–	–	–	(281,586)	–	–	–	(281,586)	–	(281,586)
Cumulative effect of a change in accounting principle	–	–	–	–	–	–	–	–	–	–	–
Intercompany transfer	(360,000)	(150,000)	360,000	150,000		–	(500,000)	–	(500,000)	500,000	–
Contribution of long-lived assets	5,370	–	–	–	5,370	–	–	–	5,370	–	5,370
Net assets released from restrictions	5,707	–	–	–	5,707	–	–	–	5,707	–	5,707
Net assets released from restrictions used for purchase of property, plant and equipment	56,931	–	–	–	56,931	–	–	–	56,931	–	56,931
(Decrease) increase in unrestricted net assets	(1,989,608)	(35,579)	822	–	(2,024,365)	(767)	(400,025)	499,970	(1,925,187)	–	(1,925,187)
Change in temporarily restricted net assets											
Contributions	217,146	–	–	–	217,146	–	–	–	217,146	–	217,146
Investment income	166,402	–	–	–	166,402	–	–	–	166,402	–	166,402
Net appreciation (realized and unrealized)	111,935	–	–	–	111,935	–	–	–	111,935	–	111,935
Net assets released from restrictions	(171,525)	–	–	–	(171,525)	–	–	–	(171,525)	–	(171,525)
Increase in temporarily restricted net assets	323,958	–	–	–	323,958	–	–	–	323,958	–	323,958
Change in permanently restricted net assets											
Restricted donations	34	–	–	–	34	–	–	–	34	–	34
Net appreciation on assets held in externally administered trusts	352,119	–	–	–	352,119	–	–	–	352,119	–	352,119
Increase in permanently restricted net assets	352,153	–	–	–	352,153	–	–	–	352,153	–	352,153
(Decrease) increase in net assets	(1,313,497)	(35,579)	822	–	(1,348,254)	(767)	(400,025)	499,970	(1,249,076)	–	(1,249,076)
Net assets, beginning of year	33,698,410	724,838	(104,954)	–	34,318,294	541,094	653,205	27,162	35,539,755	–	35,539,755
Net assets, end of year	$ 32,384,913	$ 689,259	$ (104,132)	$ –	$ 32,970,040	$ 540,327	$ 253,180	$ 527,132	$ 34,290,679	$ –	$ 34,290,679

RIDOH 0671

Ernst & Young LLP

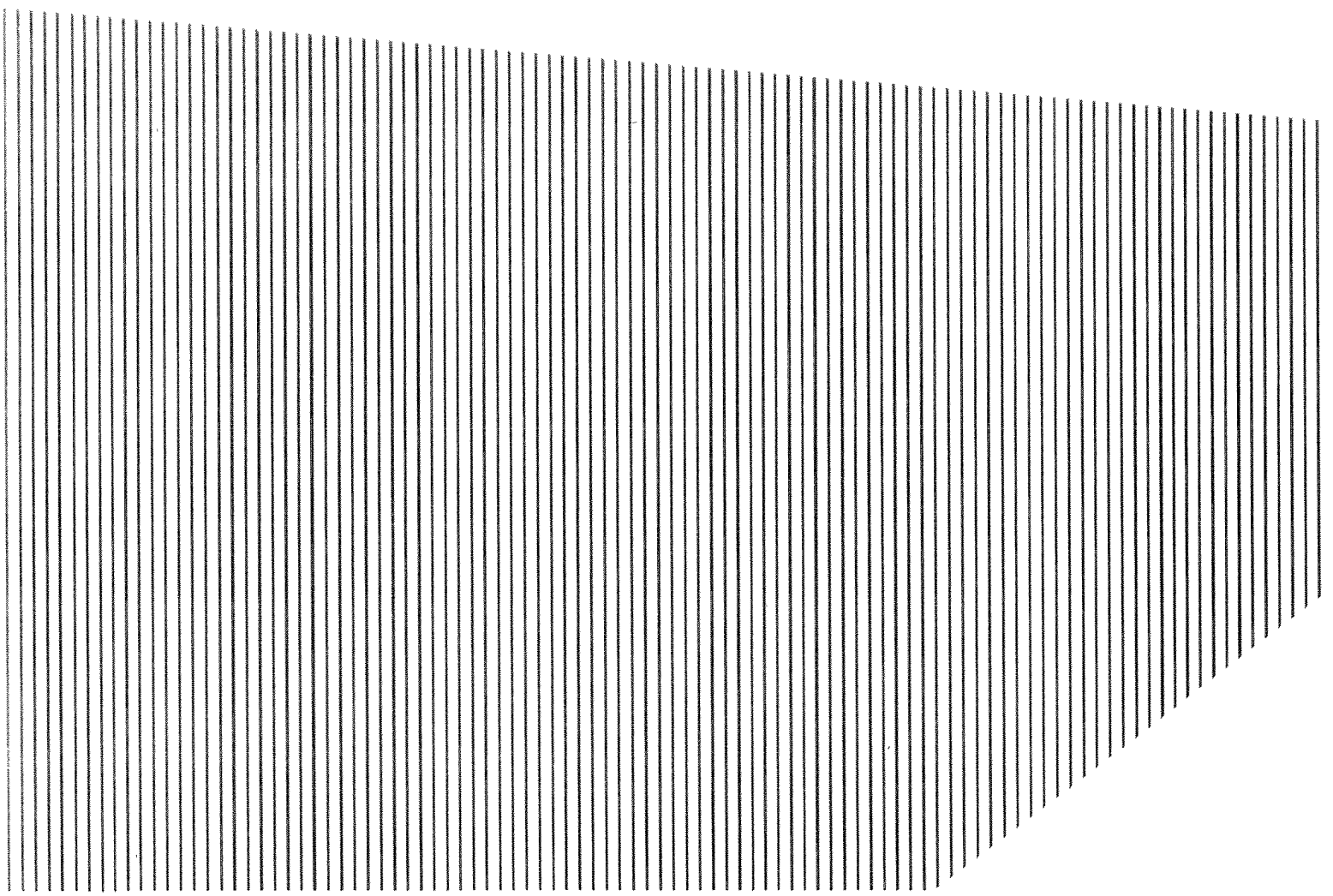
Assurance | Tax | Transactions | Advisory

About Ernst & Young

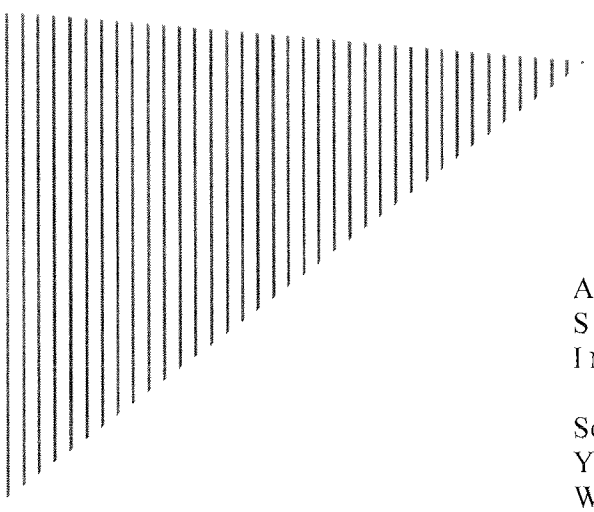
Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 152,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com.

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm located in the United States.



[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]



Audited Consolidated Financial Statements and Other Financial Information

Southeastern Healthcare System, Inc. and Affiliates
Years Ended September 30, 2010 and 2009
With Report of Independent Auditors

Ernst & Young LLP

Ernst & Young

Southeastern Healthcare System, Inc. and Affiliates

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended September 30, 2010 and 2009

Contents

Report of Independent Auditors 1

Consolidated Financial Statements

Consolidated Balance Sheets 2
Consolidated Statements of Operations and Changes in Net Assets 4
Consolidated Statements of Cash Flows 6
Notes to Consolidated Financial Statements 7

Other Financial Information

Report of Independent Auditors on Other Financial Information 29
Consolidating Balance Sheet 30
Consolidating Statement of Operations and Changes in Net Assets 34

Ernst & Young LLP
Goodwin Square
225 Asylum Street
Hartford CT 06103-1506
Tel. +1 860 247 3100
Fax +1 860 725 6040
www.ey.com

Report of Independent Auditors

Board of Trustees
Southeastern Healthcare System, Inc.

We have audited the accompanying consolidated balance sheets of Southeastern Healthcare System, Inc. and Affiliates (the System) as of September 30, 2010 and 2009, and the related consolidated statements of operations and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the System's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Organization's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of the System as of September 30, 2010 and 2009, and the consolidated results of their operations and changes in their net assets and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

February 25, 2011

A member firm of Ernst & Young Global Limited

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Balance Sheets

	September 30 2010	2009
Assets		
Current assets:		
Cash and cash equivalents	$ **1,501,838**	$ 1,791,975
Current portion of assets whose use is limited	**2,936,344**	1,789,391
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $9,772,000 in 2010 and $8,270,000 in 2009	**32,509,340**	34,750,619
Other accounts receivable	**1,503,613**	1,213,767
Estimated settlements with third-party payors	**2,466,273**	3,062,696
Inventories	**808,863**	759,265
Prepaid expenses and other	**862,032**	1,117,861
Total current assets	**42,588,303**	44,485,574
Assets whose use is limited:		
By the Board for designated purposes	**31,081,199**	30,817,515
Pledges receivable	**202,392**	403,319
By donors for designated purposes	**1,015,273**	691,314
By donors for permanent endowment	**3,124,192**	3,124,158
By externally administered trusts	**6,588,975**	6,236,856
Deferred compensation	**–**	2,399,725
	42,012,031	43,672,887
Less amount required to meet current obligations	**(2,936,344)**	(1,789,391)
	39,075,687	41,883,496
Property and equipment, net	**34,541,070**	34,945,135
Deferred financing costs, net	**234,078**	260,829
Total assets	**$ 116,439,138**	$ 121,575,034

RIDOH 0677

	September 30	
	2010	2009
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	$ **25,057,378**	$ 24,667,002
Accrued interest payable	**159,384**	174,984
Current portion of long-term debt and capital lease obligations	**1,582,385**	1,582,385
Line of credit	**5,000,000**	5,000,000
Total current liabilities	**31,799,147**	31,424,371
Long-term pension liability	**36,591,747**	36,780,563
Long-term debt, net of current portion	**12,693,483**	14,275,868
Estimated self-insurance liabilities and other liabilities	**981,582**	1,154,752
Deferred compensation liability	**82,500**	2,399,725
Total liabilities	**82,148,459**	86,035,279
Commitments and contingencies		
Net assets:		
Unrestricted	**23,562,239**	25,487,427
Temporarily restricted	**1,015,273**	691,314
Permanently restricted	**9,713,167**	9,361,014
Total net assets	**34,290,679**	35,539,755
Total liabilities and net assets	**$ 116,439,138**	$ 121,575,034

See accompanying notes.

RIDOH 0678

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2010	**2009**
Operating revenues:		
Net patient service revenue	**$ 173,318,865**	$ 168,605,400
Other revenue	**10,241,484**	7,818,184
Net assets released from restrictions for operations	**108,887**	60,434
Total operating revenues	**183,669,236**	176,484,018
Operating expenses:		
Salaries and wages	**84,425,033**	84,391,373
Employee benefits	**29,257,213**	27,434,032
Supplies, purchased services, and other	**45,794,792**	44,243,266
Provision for bad debts	**15,657,416**	12,688,221
Depreciation and amortization	**4,183,905**	4,302,288
Licensing fee	**7,178,101**	7,303,539
Interest	**1,287,152**	1,219,502
Total operating expenses	**187,783,612**	181,582,221
Loss from operations	**(4,114,376)**	(5,098,203)
Non-operating gains (losses):		
Investment income	**350,807**	321,158
Net realized gains (losses) on sales of investments	**715,584**	(3,115,944)
Unrestricted donations	**233,654**	368,144
Income on assets held in externally administered trusts	**285,654**	245,442
Total nonoperating gains (losses)	**1,585,699**	(2,181,200)
Deficiency of revenue over expenses before change in fair value of investments	**(2,528,677)**	(7,279,403)
Change in fair value of investments	**817,068**	3,314,461
Deficiency of revenue over expenses	**(1,711,609)**	(3,964,942)

Continued on next page.

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2010	**2009**
Deficiency of revenue over expenses (continued)	**(1,711,609)**	(3,964,942)
Change in pension liability	**(281,586)**	(21,789,804)
Effect of early measurement date (ASC No. 715)	**–**	(882,733)
Net assets released from restrictions	**62,638**	57,218
Contribution of long-lived assets	**5,370**	33,253
Decrease in unrestricted net assets	**(1,925,187)**	(26,547,008)
Change in temporarily restricted net assets:		
Contributions	**217,146**	87,147
Investment income (loss)	**166,402**	(35,707)
Net appreciation (realized and unrealized)	**111,935**	–
Net assets released from restrictions	**(171,525)**	(117,652)
Increase (decrease) in temporarily restricted net assets	**323,958**	(66,212)
Change in permanently restricted net assets:		
Change in unrealized appreciation (depreciation) on assets held in externally administered trusts	**352,119**	(77,646)
Permanently restricted endowment contributions	**34**	–
Increase (decrease) in permanently restricted net assets	**352,153**	(77,646)
Decrease in net assets	**(1,249,076)**	(26,690,866)
Net assets at beginning of year	**35,539,755**	62,230,621
Net assets at end of year	**$ 34,290,679**	$ 35,539,755

See accompanying notes.

RIDOH 0680

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2010	**2009**
Operating activities		
Decrease in net assets	**$ (1,249,076)**	$ (26,690,866)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities and non-operating gains:		
Depreciation and amortization	**4,183,905**	4,302,288
Provision for bad debts	**15,657,416**	12,688,221
Amortization of bond premium	**(22,385)**	(22,385)
Change in pension liability	**281,586**	22,672,537
Unrealized (appreciation) depreciation on assets held in externally administered trusts	**(352,119)**	(77,646)
Change in:		
Patient accounts receivable	**(13,416,137)**	(12,274,739)
Other accounts receivable	**(289,846)**	(328,972)
Estimated settlements with third-party payors	**596,423**	(416,139)
Inventories	**(49,598)**	181,338
Prepaid expenses and other	**255,829**	(361,180)
Investments classified as trading	**1,629,393**	2,629,336
Accounts payable and accrued expenses	**(80,026)**	(339,017)
Accrued interest payable	**(15,600)**	(12,675)
Estimated self-insurance liabilities and other liabilities	**(173,170)**	220,487
Deferred compensation liability	**(2,317,225)**	23,171
Net cash provided by operating activities and non-operating gains	**4,639,370**	2,193,759
Investing activities		
Purchases of property and equipment, net	**(3,753,089)**	(1,598,905)
Net cash used in investing activities	**(3,753,089)**	(1,598,905)
Financing activities		
Restricted contributions and investment income	**383,582**	51,440
Repayments of long-term debt and additional financing costs	**(1,560,000)**	(1,560,000)
Net cash used in financing activities	**(1,176,418)**	(1,508,560)
Net decrease in cash and cash equivalents	**(290,137)**	(913,706)
Cash and cash equivalents at beginning of year	**1,791,975**	2,705,681
Cash and cash equivalents at end of year	**$ 1,501,838**	$ 1,791,975

See accompanying notes.

RIDOH 0681

1. Organization and Summary of Significant Accounting Policies

Organization

Southeastern Healthcare System, Inc. (SHSI), formed in 1997, is the sole corporate member or shareholder of Memorial Hospital of Rhode Island (the Hospital), Primary Care Centers of New England, Inc. (PCCNE), and Blackstone Health, Inc. (BHI) (collectively referred to as the System). The Hospital is the sole corporate member of R.S. Realty Company (RSR) and SHS Ventures, Inc. (Ventures).

The Hospital is a 294-bed, acute care, not-for-profit community teaching and research hospital located in Pawtucket, Rhode Island, and is affiliated with Brown University School of Medicine. RSR owns and leases apartments and office space primarily to Hospital employees. PCCNE provides staffing to Ventures and the Hospital. Ventures consists of Massachusetts-based physician practices. BHI receives and administers certain grant funds, and provides services to elderly and disabled residents in the local area.

Principles of Consolidation

The accompanying consolidated financial statements include the assets of SHSI and its controlled affiliates. The assets of any one of the members of the consolidated group may not be available to meet the obligations of other entities in the group. Intercompany balances and transactions between the organizations have been eliminated in consolidation.

Consolidated Statements of Operations and Changes in Net Assets

The consolidated statements of operations and changes in net assets include the deficiency of revenue over expenses. Changes in unrestricted net assets, which are excluded from the deficiency of revenue over expenses, consistent with industry practice, include contributions of long-lived assets, including assets acquired using contributions which, by donor restrictions, were to be used for the purpose of acquiring such assets, change in net assets related to pension, and net assets released from restrictions used to purchase property and equipment.

For presentation purposes, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and operating expenses. Other transactions not considered major or central to the provision of health care services are reported as non-operating gains and losses, which primarily consist of investment income and unrestricted donations.

RIDOH 0682

1. Organization and Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Net Patient Service Revenue

The System has entered into payment agreements with Medicare, Medicaid, and various commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under those agreements includes prospectively determined rates per discharge, discounts from established charges, costs (subject to limits), fee screens, prospectively determined per diem rates, and capitation fees earned on a per-member-per-month basis. Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Under the terms of various agreements, regulations and statutes, certain elements of third-party reimbursements are subject to negotiation, audit, and final determination by the third-party payors. Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs. During fiscal years 2010 and 2009, the System recorded increases in net patient service revenue of $225,478 and $923,712, respectively, related to changes in previously estimated third-party settlements.

Grant Revenue

The Hospital receives grants from agencies of the federal government and other sources to perform medical research and educational projects. Revenue related to these grants is recognized as the related costs are incurred. Grant revenues included in other revenue amounted to $4,861,889 and $3,333,161 for the years ended September 30, 2010 and 2009, respectively. Deferred revenues which relate to grant funds received prior to costs being incurred are included in accounts payable and accrued expenses and amounted to $1,079,789 and $910,973 at September 30, 2010 and 2009, respectively.

RIDOH 0683

1. Organization and Summary of Significant Accounting Policies (continued)

Functional Expenses

Substantially all expenses in the accompanying consolidated statements of operations and changes in net assets are related to the delivery of health care services and the performance of medical research and educational projects.

Disproportionate Share Program

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, which was established in 1995 to assist hospitals that provide a disproportionate amount of uncompensated care. Under the program, the Hospital receives federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low-income patients. Payments to the Hospital under the Disproportionate Share Program of $8,489,049 and $8,346,204 for the years ended September 30, 2010 and 2009, respectively, are included in net patient service revenue in the accompanying consolidated statements of operations and changes in net assets.

Assessments

The State of Rhode Island assesses a licensing fee to all Rhode Island hospitals based upon each hospital's gross patient service revenue as reported on filed cost reports. The Hospital's licensing fee amounted to $7,178,101 and $7,303,539 for the years ended September 30, 2010 and 2009, respectively.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of amounts restricted by donors for specific purposes. Permanently restricted net assets have been restricted by donors and are to be maintained by the System in perpetuity. Also included in permanently restricted net assets are assets held in externally administered irrevocable trusts which are not under the System's control. The System is the income beneficiary of certain perpetual trusts and has recognized its share of the fair value of the perpetual trusts as a permanently restricted asset. The System's share represents the percentage of interest the System has in the perpetual trust's income distributions. The System's share of the increase or decrease in fair value of the perpetual trusts is reported as an increase or decrease in permanently restricted net assets.

1. Organization and Summary of Significant Accounting Policies (continued)

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted donations.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly-liquid debt instruments with maturities of three months or less when purchased, excluding assets whose use is limited or restricted.

Accounts Receivable

Patient accounts receivable result from the health care services provided by the System. Additions to the allowance for doubtful accounts result from the provision for bad debts. Accounts written off as uncollectible are deducted from the allowance for doubtful accounts.

The amount of the allowance for doubtful accounts is based upon management's assessment of historical and expected net collections, business and economic conditions, trends in Medicare and Medicaid health care coverage and other collection indicators.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on a weighted-average basis, except for the pharmacy and central processing departments, which utilize the first-in, first-out basis.

Assets Whose Use Is Limited

Resources set aside for board-designated purposes or limited under terms of loan agreements are considered to be assets whose use is limited. Assets whose use is limited that are required for obligations classified as current liabilities are classified as current assets.

RIDOH 0685

1. Organization and Summary of Significant Accounting Policies (continued)

Assets whose use is limited by donors for designated purposes consist of amounts contributed for the design and renovation of the Hospital's facility. Assets whose use is limited by donors for permanent endowment funds contain a donor-imposed restriction stipulating that these resources be maintained permanently. However, the restriction permits the Hospital to use or expend all of the income and net gains derived from the donated assets. Accordingly, investment income on the assets is unrestricted. Rhode Island general law allows organizations to permanently restrict investment earnings on permanently restricted funds to maintain the purchasing power of the original dollar value of the funds. The law also allows the governing board to expend such funds as permitted under other laws, the terms of the applicable gift instrument, or the charter of the institution. Each year, the Board of Trustees has designated all income of permanently restricted assets, other than externally administered trusts, for future Hospital use and, therefore, the income has been classified as unrestricted.

The Hospital is the beneficiary of the income from assets held in externally administered trusts, which are not under its control. Income from these trusts is unrestricted, and the annual distributions received by the Hospital are reported as non-operating gains in the consolidated statements of operations and changes in net assets.

Investments and Investment Income

Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the consolidated balance sheets. Fair value is generally determined based on quoted market price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the deficiency of revenue over expenses.

Property and Equipment

Property and equipment purchased are carried at cost and those acquired by gifts and bequests are carried at fair value established at the date of contribution. The carrying amounts of assets and the related accumulated depreciation are removed from the accounts when such assets are disposed of and any resulting gain or loss is included in income from operations. Depreciation of property and equipment is computed by the straight-line method in amounts sufficient to depreciate the cost of the assets over their estimated useful lives ranging from 3 to 50 years. The cost of additions and improvements are capitalized and expenditures for repairs and maintenance, including the cost of replacing minor items not considered substantial enhancements, are expensed as incurred.

1. Organization and Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted contributions and are excluded from the deficiency of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of debt, which are being amortized over the term of the related debt issue. Amortization expense amounted to $26,751 and $26,751 for the years ended September 30, 2010 and 2009, respectively.

Fair Value of Financial Instruments

The fair value of the System's financial instruments approximates the carrying amount reported in the consolidated balance sheets for cash and cash equivalents, receivables, and payables. See Note 14 for the fair value of investments and assets whose use is limited and Note 8 for the fair value of long-term debt.

Deficiency of Revenue over Expenses

In the accompanying consolidated statements of operations and changes in net assets, deficiency of revenue over expenses is the performance indicator. Peripheral or incidental transactions are included in deficiency of revenue over expenses. Those gains and losses deemed by management to be closely related to ongoing operations are included in other revenue; other gains and losses are classified as non-operating.

Consistent with industry practice, contributions of, or restricted to, property and equipment, transfers of assets to and from affiliates for other than goods and services, net assets released from restrictions used for purchase of property and equipment, and changes in pension liabilities are excluded from the performance indicator but are included in the change in net assets.

RIDOH 0687

1. Organization and Summary of Significant Accounting Policies (continued)

Tax Status

SHSI, the Hospital, Ventures and BHI have been recognized as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code). RSR has been recognized as a tax-exempt organization under Section 501(c)(2) of the Code. Those organizations are, therefore, exempt from federal taxes on related income pursuant to Section 501(a) of the Code. PCCNE is organized as a for-profit corporation and is, therefore, subject to tax. The provision for income taxes on the earnings of PCCNE is immaterial to the consolidated financial statements.

As of September 30, 2010, PCCNE has net operating loss carryforwards of approximately $1,380,000 for income tax purposes. These carryforwards resulted from PCCNE incurring operating losses in prior years. A deferred tax asset for these losses of approximately $552,000 is offset by a corresponding valuation allowance of the same amount.

Adoption of New Accounting Standards

In August 2010 (ASU), the Financial Accounting Standards Board (FASB) issued Accounting Standard Update 2010-24, *Topic 954 – Presentation of Insurance Claims and Related Insurance Recoveries* ("ASU 2010-24"). The amendments in this update clarify that a health care entity should not net insurance recoveries against a related claim liability. Additionally, the amount of the claim liability should be determined without consideration of insurance recoveries. The amendments in this update permit retrospective application and are effective for fiscal years beginning after December 15, 2010. The System has not yet determined the effect that the adoption of ASU 2010-24 will have on its consolidated financial statements.

In December 2008, the FASB issued additional authoritative guidance regarding an employer's disclosures about postretirement benefit plan assets, currently included in Accounting Standards Codification (ASC) 715, *Compensation — Retirement Benefits*. This guidance requires disclosure about the major classes of postretirement benefit plan assets, including a description of the inputs and valuation techniques used to measure those assets and the designation of such assets by level; how investment allocation decisions are made; the effect of fair value measurements using significant unobservable inputs on changes in plan assets for the period; and significant concentrations of risk within plan assets. The adoption of this guidance did not have a significant impact on the System's consolidated financial statements for the year ended September 30, 2010.

In January 2010, the FASB issued Accounting Standards Update ASU 2010-06, *Improving Disclosures about Fair Value Measurements*. ASU 2010-06 amended ASC 820 to clarify certain

RIDOH 0688

1. Organization and Summary of Significant Accounting Policies (continued)

existing fair value disclosures and require a number of additional disclosures. The guidance in ASU 2010-06 clarified that disclosures should be presented separately for each "class" of assets and liabilities measured at fair value, and provided guidance on how to determine the appropriate classes of assets and liabilities to be presented. ASU 2010-06 also clarified the requirement for entities to disclose information about both the valuation techniques and inputs used in estimating Level 2 and Level 3 fair value measurements. In addition, ASU 2010-06 introduced new requirements to disclose the amounts (on a gross basis) and reasons for any significant transfers between Levels 1, 2, and 3 of the fair value hierarchy and present information regarding the purchases, sales, issuances, and settlements of Level 3 assets and liabilities on a gross basis. With the exception of the requirement to present changes in Level 3 measurements on a gross basis, which is delayed until 2011, the guidance in ASU 2010-06 becomes effective for reporting periods beginning after December 15, 2009. Management is currently evaluating the effect that the provisions of ASU 2010-06 will have on the consolidated financial statements.

2. Accounts Receivable for Patients and Net Patient Service Revenue

During fiscal years 2010 and 2009, the Hospital's net revenues from services to patients were 34% and 32% from Medicare and 17% and 17% from Medicaid, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result, there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. The Hospital believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

Net revenues from services to patients is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations. Third-party payor receivables included in accounts receivable for services to patients were $2.5 million and $3.1 million at September 30, 2010 and 2009, respectively.

RIDOH 0689

2. Accounts Receivable for Patients and Net Patient Service Revenue (continued)

Patient accounts receivable and revenues are recorded when patient services are performed. The Hospital has agreements with certain third-party payors, including health maintenance organizations, that provide for payments to the Hospital at amounts different from the Hospital's established billing rates. These differences are accounted for as allowances. Under those agreements, the Hospital receives reimbursement based on a number of different arrangements.

The Hospital believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation, as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

3. Uncompensated Care and Community Benefit

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. The following table displays the level of charity care provided during the years ended September 30:

	2010	2009
Charges forgone, based on established rates	**$ 6,076,412**	$ 4,851,732
Estimated costs and expenses incurred to provide charity care	**$ 2,823,790**	$ 2,374,879

In addition to the above-mentioned medical care rendered, the Hospital provides numerous other services to the community for which charges are not generated. These services include translation of medical information into various languages, physician referral services, health care screenings (including those done at employer sites), community support groups, health educational programs, physician services, and general community benefit services such as disaster relief. In addition, volunteer services are provided by Hospital staff to the community on their own time.

RIDOH 0690

3. Uncompensated Care and Community Benefit (continued)

The Hospital also provides services to other indigent patients under the Medicaid program, which reimburses health care providers at amounts which are, in total, estimated to be less than the cost of services provided. The differences between the cost of services provided to indigent patients and the expected reimbursement is also considered to be charitable services by the Hospital but they have not been included in the amounts disclosed above.

In addition to the cost of charity care and other community service programs, the Hospital provided $15,657,416 and $12,688,221 for uncollectible patient accounts during the years ended September 30, 2010 and 2009, respectively.

4. Assets Whose Use is Limited

Assets whose use is limited consists of the following at fair value at September 30:

	2010	2009
Interest and other receivables	$ **1,211,400**	$ 1,282,145
Pledges receivable	**202,392**	403,319
Deferred compensation trust	–	2,399,725
Assets held in externally administered trusts	**6,588,975**	6,236,856
Cash and money market investments	**6,748,812**	6,810,242
Marketable securities	**27,260,452**	26,540,600
	$ **42,012,031**	$ 43,672,887

Marketable securities consist of the following at fair value at September 30:

	2010	2009
Equity securities	$ **16,815,587**	$ 16,172,893
Corporate bonds	**5,029,690**	4,134,555
Mutual funds	**3,769,823**	3,707,015
U.S. government obligations	**1,645,352**	2,526,137
	$ **27,260,452**	$ 26,540,600

RIDOH 0691

4. Assets Whose Use is Limited (continued)

The System's unrestricted investment income for the years ended September 30 consisted of the following:

	2010	2009
Interest income	$ 350,807	$ 321,158
Net realized gains (losses) on sales of investments	715,584	(3,115,944)
Income on assets held in externally administered trusts	285,654	245,442
	1,352,045	(2,549,344)
Change in fair value of investments	817,068	3,314,461
	$ 2,169,113	$ 765,117

5. Endowment

The System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) as they relate to its permanently restricted endowments. The System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds held by the System. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported on the existence or absence of donor-imposed restrictions.

The System classifies restricted donor funds in accordance with the State of Rhode Island and generally accepted accounting principles. The System classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) the accumulation of the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by the state laws of Rhode Island and UPMIFA. The System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

RIDOH 0692

5. Endowment (continued)

For the year ended September 30, 2010, the System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ –	$ 3,124,158	$ 3,124,158
Investment returns:			
Investment income	657,837	–	657,837
Net appreciation (realized and unrealized)	111,935	–	111,935
Total investment return	769,772	–	769,772
Appropriation of endowment assets for expenditure	(657,837)	–	(657,837)
Permanently restricted endowment contributions		34	34
Endowment net assets, end of year	$ 111,935	$ 3,124,192	$ 3,236,127

It is the policy of the System that any appropriations from the appreciation in endowment funds be periodically requested of and approved by the Board of Trustees.

From time to time, the fair value of the assets associated with the individual donor-restricted endowment funds may fall below the level that the donor requires the System to retain as a fund of perpetual duration. There are no deficiencies of this nature which are reported in unrestricted net assets as of September 30, 2010.

6. Line of Credit

The Hospital has an unsecured revolving line of credit with a bank which provides for borrowings of up to $5,000,000 for both fiscal 2010 and 2009. Interest accrues at an effective rate of LIBOR plus 3.5% (4.75% at September 30, 2010).

RIDOH 0693

7. Property and Equipment

Property and equipment consisted of the following at September 30:

	2010	2009
Property and equipment:		
Land	**$ 1,912,714**	$ 1,912,714
Land improvements	**1,561,672**	1,539,572
Buildings and improvements	**48,598,011**	48,444,254
Equipment	**60,915,758**	57,003,672
	112,988,155	108,900,212
Less accumulated depreciation	**(78,447,085)**	(74,358,061)
	34,541,070	34,542,151
Construction in progress	**–**	402,984
	$ 34,541,070	$ 34,945,135

8. Long-Term Debt

Long-term debt consists of the following at September 30:

	2010	2009
Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Refunding Bonds	**$ 14,080,000**	$ 15,640,000
Add premium	**195,868**	218,253
Less current portion	**(1,582,385)**	(1,582,385)
Long-term debt	**$ 12,693,483**	$ 14,275,868

In December 2003, the Rhode Island Health and Educational Building Corporation (RIHEBC) issued $25,000,000 of Series 2003 Hospital Financing Revenue Refunding Bonds (the Bonds) on behalf of the Hospital. RIHEBC loaned the proceeds of the Bonds to the Hospital pursuant to the Loan and Trust Agreement (the Agreement) dated December 1, 2003. The terms of the Agreement stipulate that interest will be paid at fixed rates ranging from 2.00% to 5.25% per annum (weighted-average rate at September 30, 2010 and 2009 was 4.53% and 4.48%, respectively), with principal installments commencing July 1, 2004 and ending July 1, 2019.

RIDOH 0694

8. Long-Term Debt (continued)

The Bonds are issued under and collateralized by the Agreement. The terms of the Agreement require that the Hospital make quarterly payments to the trustee which are sufficient to provide for payment of principal and interest due on the Bonds. The Bonds are collateralized by a lien on the Hospital's gross receipts. Additional debt collateralized on a parity with the Bonds may only be incurred by the Hospital in accordance with restrictions of the Agreement.

As security for the payment of the principal amount of the Bonds, a bank letter of credit was issued under the terms of a Reimbursement Agreement between the Hospital and the bank dated December 31, 2003 (Reimbursement Agreement). Section 7 of the Reimbursement Agreement contains various covenants with which the Hospital must comply. As of September 30, 2010 and 2009, the Hospital was in compliance with all its covenants.

The aggregate maturities of long-term debt (prior to amortization of premium) for the next five fiscal years ending September 30 and thereafter are approximately as follows:

2011	$ 1,560,000
2012	1,565,000
2013	1,565,000
2014	1,565,000
2015	1,565,000
Thereafter	6,260,000

Cash paid for interest on all borrowings during the years ended September 30, 2010 and 2009 was approximately $1,325,000 and $1,255,000, respectively.

9. Pension Plan

The Hospital has a defined benefit pension plan (the Plan) covering substantially all of its employees. The plan benefits are based on years of service and employees' compensation during the last five years of covered employment. The Hospital makes annual contributions to the Plan, which approximates the amount of net periodic pension cost. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

RIDOH 0695

9. Pension Plan (continued)

On September 29, 2006, the FASB issued Statement of Financial Accounting Standards No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment of FASB Statements No. 87, 88, 106, and 123(R)* (hereafter referred to as ASC 715). In 2009, the System adopted the measurement date provisions of ASC 715. ASC 715 required the System to measure defined benefit plan assets and obligations as of September 30, the date of its fiscal year-end consolidated balance sheet. Prior to the implementation of this change, the measurement date for the System's pension and postretirement benefit plans was June 30. The adjustment to unrestricted net assets at adoption represents a decrease to net assets of $882,733 and an increase to accrued pension obligation.

The following table sets forth the status of the Plan as of September 30:

	2010	2009
Change in benefit obligation		
Projected benefit obligation at beginning of year	**$ 107,433,658**	$ 90,314,749
Service cost	**3,657,470**	4,329,294
Interest cost	**6,134,459**	7,512,867
Benefits paid	**(3,116,215)**	(2,712,676)
Actuarial gain	**3,115,993**	7,989,424
Projected benefit obligation at end of year	**117,225,365**	107,433,658
Change in plan assets		
Fair value of plan assets at beginning of year	**70,534,801**	72,078,175
Actual return on plan assets	**6,938,041**	(3,744,785)
Contributions and transfers	**6,276,991**	4,914,087
Benefits paid	**(3,116,215)**	(2,712,676)
Fair value of plan assets at end of year	**80,633,618**	70,534,801
Unfunded status	**$ (36,591,747)**	$ (36,898,857)

Included in unrestricted net assets at September 30 are the following amounts that have not yet been recognized in net periodic benefit cost:

	2010	2009
Unrecognized actuarial loss	**$ 35,457,212**	$ 34,975,731
Unrecognized prior service credit	**(51,978)**	(60,313)
	$ 35,405,234	$ 34,915,418

RIDOH 0696

9. Pension Plan (continued)

The actuarial loss and prior service credit included in unrestricted net assets at September 30, 2010, and expected to be recognized in net periodic benefit cost during the year ending September 30, 2011, are as follows:

Unrecognized actuarial loss	**$ 2,380,609**
Unrecognized prior service credit	**(8,335)**
	$ 2,372,274

Components of net periodic pension cost are as follows for the years ended September 30:

	2010	2009
Service cost – benefits earned during the year	**$ 3,657,470**	$ 4,329,294
Interest cost on projected benefit obligation	**6,134,459**	7,512,867
Actual return on plan assets	**(6,461,353)**	(8,217,105)
Net amortization and deferral	**2,149,489**	823,294
Net periodic pension cost	**$ 5,480,065**	$ 4,448,350

In 2009, the adoption of ASC 715 resulted in an additional three months of net periodic pension costs. The additional expense of $882,733 as a result of the adoption was recognized as a reduction of unrestricted net assets. The remaining $3,565,617 of expense is included within employee benefits expense.

Assumptions

Weighted-average assumptions used to determine benefit obligations and net periodic pension cost at September 30, 2010 and 2009 and for the years then ended are as follows:

	Benefit Obligations		Net Periodic Pension Cost	
	2010	2009	2010	2009
Discount rate	**5.63%**	5.80%	**5.80%**	6.75%
Expected rate of return on plan assets	**9.00%**	9.00%	**9.00%**	9.00%
Rate of compensation increase	**2.00%**	2.00%	**2.00%**	2.00%

The expected rate of return on plan assets was determined by the expected return on each asset class based on a model that considers historical and expected future performance.

RIDOH 0697

9. Pension Plan (continued)

The accumulated benefit obligation was $106,313,277 and $96,899,855 at September 30, 2010 and 2009, respectively.

Plan Assets

The Plan weighted-average asset allocations as of September 30, by asset category, are as follows:

	Target Allocation	2010	2009
Equity securities	38%	**34%**	34%
Annuities	42	**47**	47
Debt securities	20	**12**	12
Alternative investments	–	**2**	–
Cash equivalents	–	**5**	7
Total	100%	**100%**	100%

The goals of the Plan are to provide a secure retirement benefit for plan participants and to manage plan assets for the exclusive benefit of the participants. The invested assets will be managed on a long-term total return basis and measured against established benchmarks for each asset class. Risk management is achieved by limiting the size of asset class and individual security positions to achieve adequate diversification. The Plan will maintain a funded level sufficient to ensure benefit security.

Financial assets carried at fair value as of September 30, 2010 are classified in the following table in the following categories (see Note 14 for a description):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 4,373,639	$ –	$ –	$ 4,373,639
Common stock	27,434,321	–	–	27,434,321
Fixed income	10,002,992	–	–	10,002,992
Alternative investments	–	–	1,374,645	1,374,645
Investments at fair value	$ 41,810,952	$ –	$ 1,374,645	43,185,597
Investments not at fair value - annuities				37,448,021
Total investments				$ 80,633,618

RIDOH 0698

9. Pension Plan (continued)

The following is a rollforward of the plan assets classified as Level 3 of the valuation hierarchy as described in Note 14:

	Level 3
Fair value at September 30, 2009	$ –
2010 Unrealized gains, net	(12,162)
2010 Purchases, sales, transfers, issuances and settlements, net	1,386,807
Fair value at September 30, 2010	$ 1,374,645

Cash Flows

Contributions

The Hospital funds the Plan in accordance with guidelines prescribed by the Employee Retirement Income Security Act of 1974 (ERISA). The Hospital expects to contribute $5,496,807 to the Plan in fiscal 2011.

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, are expected to be paid as follows:

2011	$ 3,911,000
2012	4,432,000
2013	4,792,000
2014	5,109,000
2015	5,352,000
2016 – 2020	33,922,000

10. Estimated Self-Insurance Liabilities

Professional Liability Insurance

Effective July 1, 2004, professional liability insurance coverage was provided on an occurrence basis. Such coverage was provided on a claims-made basis through June 30, 2004. The claims-made policies cover only claims made during the terms of the policies and not those occurrences for which claims may be made after expiration of the policies. The System is self-insured with respect to incurred but not reported (IBNR) claims incurred prior to July 1, 2004. Accordingly, the System has established a liability of $582,000 for such IBNR exposure.

RIDOH 0699

10. Estimated Self-Insurance Liabilities (continued)

Workers' Compensation Insurance

The System is self-insured with respect to workers' compensation risks up to a maximum of $350,000 per claim. The provision for estimated self-insured workers' IBNR compensation claims includes estimates of the ultimate costs for both reported claims and claims. The estimates incorporate the System's past experience, as well as other considerations.

11. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements. The percentage of accounts receivable from patients and various third-party payors was as follows at September 30:

	2010	2009
Medicare	**34%**	32%
Blue Cross	**26**	30
Medicaid	**17**	17
Other third-party payors	**17**	15
Patients	**6**	6
	100%	100%

12. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30:

	2010	2009
General activities	**$ 805,860**	$ 559,977
Research	**97,478**	131,337
Net appreciation (realized and unrealized)	**111,935**	–
	$1,015,273	$ 691,314

RIDOH 0700

12. Temporarily and Permanently Restricted Net Assets (continued)

Permanently restricted net assets consist of the following at September 30:

	2010	2009
Principal portion of contributions restricted in perpetuity by donors	**$ 3,124,192**	$ 3,124,158
Assets held in externally administered trusts	**6,588,975**	6,236,856
	$ 9,713,167	$ 9,361,014

13. Commitments and Contingencies

The System is a defendant in several lawsuits, which are in various stages of progress or discovery. Management believes that its insurance coverage is adequate to cover claims made under all such lawsuits and, accordingly, no provision for loss has been reflected in the accompanying consolidated financial statements.

14. Fair Value Measurement

The System has adopted the methods of calculating fair value as defined in ASC 820 to value its financial assets and liabilities, where applicable. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

ASC 820 establishes a three-tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers nonperformance risk in the overall assessment of fair value.

RIDOH 0701

14. Fair Value Measurement (continued)

Financial assets, excluding assets held in the Plan, carried at fair value as of September 30, 2010 are classified in the following table in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,250,649	$ –	$ –	$ 8,250,649
Mutual funds	3,769,823	–	–	3,769,823
Equity securities	16,815,587			16,815,587
U.S. government obligations	1,645,352	–	–	1,645,352
Corporate bonds	5,029,690	–	–	5,029,690
Common collective trusts	–	6,588,975		6,588,975
Investments at fair value	$ 35,511,101	$ 6,588,975	$ –	42,100,076
Interest and other receivables				1,211,401
Pledge receivable				202,392
Total cash and cash equivalents and investments				$ 43,513,869

Financial assets carried at fair value as of September 30, 2009 are classified in the following table in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,602,217	$ –	$ –	$ 8,602,217
Mutual funds	3,707,015	–	–	3,707,015
Equity securities	16,172,893			16,172,893
U.S. government obligations	2,526,137	–	–	2,526,137
Corporate bonds	4,134,555	–	–	4,134,555
Common collective trusts	–	8,636,581		8,636,581
Investments at fair value	$ 35,142,817	$ 8,636,581	$ –	43,779,398
Interest and other receivables				1,282,145
Pledge receivable				403,319
Total cash and cash equivalents and investments				$ 45,464,862

RIDOH 0702

15. Subsequent Events

In accordance with ASC 855-10, *Subsequent Events*, management has evaluated subsequent events through February 25, 2011, which is the date the consolidated financial statements were available to be issued. No events have occurred that require disclosure or adjustment of the consolidated financial statements.

RIDOH 0703

Other Financial Information

Ernst & Young LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103-1506
Tel +1 860 247 3100
Fax +1 860 725 6040
www.ey.com

Report of Independent Auditors on Other Financial Information

Board of Trustees
Southeastern Healthcare System, Inc.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

February 25, 2011

A member firm of Ernst & Young Global Limited

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet

September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets											
Cash and cash equivalents	$ 337,609	$ 370,642	$ 14,926	$ –	$ 723,177	$ 6,856	$ 254,673	$ 517,132	$ 1,501,838	$ –	$ 1,501,838
Current portion of assets whose use is limited	2,936,344	–	–	–	2,936,344	–	–	–	2,936,344	–	2,936,344
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $9,772,000 in 2010	32,482,006	–	24,876	–	32,506,882	2,458	–	–	32,509,340	–	32,509,340
Other accounts receivable	1,375,803	5,299	6,671	–	1,387,773	31,146	102,101	10,000	1,531,020	(27,407)	1,503,613
Estimated settlements with third-party payors	2,466,273	–	–	–	2,466,273	–	–	–	2,466,273	–	2,466,273
Inventories	802,038	–	6,825	–	808,863	–	–	–	808,863	–	808,863
Prepaid expenses and other	843,458	10,798	1,058	–	855,314	–	6,718	–	862,032	–	862,032
Total current assets	41,243,531	386,739	54,356	–	41,684,626	40,460	363,492	527,132	42,615,710	(27,407)	42,588,303
Assets limited as to use											
By the Board for designated purposes	29,326,415	–	–	(213,804)	29,112,611	512,716	–	–	29,625,327	16,739	29,642,066
By the Board for designated purposes – Littlefield	1,439,133	–	–	–	1,439,133	–	–	–	1,439,133	–	1,439,133
Pledges receivable	202,392	–	–	–	202,392	–	–	–	202,392	–	202,392
By donors for designated purposes	1,015,273	–	–	–	1,015,273	–	–	–	1,015,273	–	1,015,273
By donors for permanent endowment	3,124,192	–	–	–	3,124,192	–	–	–	3,124,192	–	3,124,192
By externally administered trusts	6,588,975	–	–	–	6,588,975	–	–	–	6,588,975	–	6,588,975
Deferred compensation	-	–	–	–	-	–	–	–	–	–	–
	41,696,380	–	–	(213,804)	41,482,576	512,716	–	–	41,995,292	16,739	42,012,031
Less amount required to meet current obligations	(2,936,344)	–	–	–	(2,936,344)	–	–	–	(2,936,344)	–	(2,936,344)
	38,760,036	–	–	(213,804)	38,546,232	512,716	–	–	39,058,948	16,739	39,075,687
Property and equipment, net	33,908,209	600,775	6,796	–	34,515,780	–	25,290	–	34,541,070	–	34,541,070
Deferred financing costs, net	234,078	–	–	–	234,078	–	–	–	234,078	–	234,078
Total assets	$ 114,145,854	$ 987,514	$ 61,152	$ (213,804)	$ 114,980,716	$ 553,176	$ 388,782	$ 527,132	$ 116,449,806	$ (10,668)	$ 116,439,138

RIDOH 0706

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet (continued)

September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities:											
Accounts payable and accrued expenses	$ 24,669,860	$ 298,255	$ 165,284	$ (213,804)	$ 24,919,595	$ 12,849	$ 91,769	$ –	$ 25,024,213	$ (10,668)	$ 25,013,545
Deferred revenue	–	–	–	–	–	–	43,833	–	43,833	–	43,833
Accrued interest payable	159,384	–	–	–	159,384	–	–	–	159,384	–	159,384
Current portion of long-term debt and capital lease obligations	1,582,385	–	–	–	1,582,385	–	–	–	1,582,385	–	1,582,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	31,411,629	298,255	165,284	(213,804)	31,661,364	12,849	135,602	–	31,809,815	(10,668)	31,799,147
Long-term pension liability	36,591,747	–	–	–	36,591,747	–	–	–	36,591,747	–	36,591,747
Long-term debt, net of current portion	12,693,483	–	–	–	12,693,483	–	–	–	12,693,483	–	12,693,483
Estimated self-insurance liabilities and other liabilities	981,582	–	–	–	981,582	–	–	–	981,582	–	981,582
Other long-term liabilities	82,500	–	–	–	82,500	–	–	–	82,500	–	82,500
Total liabilities	81,760,941	298,255	165,284	(213,804)	82,010,676	12,849	135,602	–	82,159,127	(10,668)	82,148,459
Net assets											
Unrestricted	21,656,473	689,259	(104,132)	–	22,241,600	540,327	253,180	527,132	23,562,239	–	23,562,239
Temporarily restricted	1,015,273	–	–	–	1,015,273	–	–	–	1,015,273	–	1,015,273
Permanently restricted	9,713,167	–	–	–	9,713,167	–	–	–	9,713,167	–	9,713,167
Total net assets	32,384,913	689,259	(104,132)	–	32,970,040	540,327	253,180	527,132	34,290,679	–	34,290,679
Total liabilities and net assets	$ 114,145,854	$ 987,514	$ 61,152	$ (213,804)	$ 114,980,716	$ 553,176	$ 388,782	$ 527,132	$ 116,449,806	$ (10,668)	$ 116,439138

RIDOH 0707

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet

September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets:											
Cash and cash equivalents	$ 588,412	$ 491,194	$ 8,533	$ –	$ 1,088,139	$ 21,323	$ 655,351	$ 27,162	$ 1,791,975	$ –	$ 1,791,975
Current portion of assets whose use is limited	1,789,391	–	–	–	1,789,391	–	–	–	1,789,391	–	1,789,391
Accounts receivable for services to patients, net of allowance for doubtful accounts and charity care of approximately $8,270,000 in 2009	34,705,649	–	42,512	–	34,748,161	2,458	–	–	34,750,619	–	34,750,619
Other accounts receivable	972,639	6,820	27,516	–	1,006,975	51,849	209,367	–	1,268,191	(54,424)	1,213,767
Estimated settlements with third-party payors	3,062,696	–	–	–	3,062,696	–	–	–	3,062,696	–	3,062,696
Inventories	752,440	–	6,825	–	759,265	–	–	–	759,265	–	759,265
Prepaid expenses and other	1,081,771	13,343	11,174	–	1,106,288	–	11,573	–	1,117,861	–	1,117,861
Total current assets	42,952,998	511,357	96,560	–	43,560,915	75,630	876,291	27,162	44,539,998	(54,424)	44,485,574
Assets limited as to use											
By the Board for designated purposes	29,271,022	–	–	(200,000)	29,071,022	512,716	–	–	29,583,738	–	29,583,738
By the Board for designated purposes – Littlefield	1,233,777	–	–	–	1,233,777	–	–	–	1,233,777	–	1,233,777
Pledges receivable	403,319	–	–	–	403,319	–	–	–	403,319	–	403,319
By donors for designated purposes	691,314	–	–	–	691,314	–	–	–	691,314	–	691,314
By donors for permanent endowment	3,124,158	–	–	–	3,124,158	–	–	–	3,124,158	–	3,124,158
By externally administered trusts	6,236,856	–	–	–	6,236,856	–	–	–	6,236,856	–	6,236,856
Deferred compensation	2,399,725	–	–	–	2,399,725	–	–	–	2,399,725	–	2,399,725
	43,360,717	–	–	(200,000)	43,160,171	512,716	–	–	43,672,887	–	43,672,887
Less amount required to meet current obligations	(1,789,391)	–	–	–	(1,789,391)	–	–	–	(1,789,391)	–	(1,789,391)
	41,570,780	–	–	(200,000)	41,370,780	512,716	–	–	41,883,496	–	41,883,496
Property and equipment, net	34,324,599	586,063	9,603	–	34,920,265	–	24,870	–	34,945,135	–	34,945,135
Deferred financing costs, net	260,829	–	–	–	260,829	–	–	–	260,829	–	260,829
Total assets	$ 119,109,206	$ 1,097,420	$ 106,163	$ (200,000)	$ 120,112,789	$ 588,346	$ 901,161	$ 27,162	$ 121,629,458	$ (54,424)	$ 121,575,034

RIDOH 0708

Southeastern Healthcare System, Inc.

Consolidating Balance Sheet (continued)

September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities:											
Accounts payable and accrued expenses	$ 24,042,519	$ 372,582	$ 211,117	$ (200,000)	$ 24,426,218	$ 47,252	$ 132,917	$ –	$ 24,606,387	$ (54,424)	$ 24,551,963
Deferred revenue	–	–	–	–	–	–	115,039	–	115,039	–	115,039
Accrued interest payable	174,984	–	–	–	174,984	–	–	–	174,984	–	174,984
Current portion of long-term debt and capital lease obligations	1,582,385	–	–	–	1,582,385	–	–	–	1,582,385	–	1,582,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	30,799,888	372,582	211,117	(200,000)	31,183,587	47,252	247,956	–	31,478,795	(54,424)	31,424,371
Long-term pension liability	36,780,563	–	–	–	36,780,563	–	–	–	36,780,563	–	36,780,563
Long-term debt, net of current portion	14,275,868	–	–	–	14,275,868	–	–	–	14,275,868	–	14,275,868
Estimated self-insurance liabilities and other liabilities	1,154,752	–	–	–	1,154,752	–	–	–	1,154,752	–	1,154,752
Deferred compensation liability	2,399,725	–		–	2,399,725	–	–	–	2,399,725	–	2,399,725
Total liabilities	85,410,796	372,582	211,117	(200,000)	85,794,495	47,252	247,956	–	86,089,703	(54,424)	86,035,279
Net assets											
Unrestricted	23,646,082	724,838	(104,954)	–	24,265,966	541,094	653,205	27,162	25,487,427	–	25,487,427
Temporarily restricted	691,314	–	–	–	691,314	–	–	–	691,314	–	691,314
Permanently restricted	9,361,014	–	–	–	9,361,014	–	–	–	9,361,014	–	9,361,014
Total net assets	33,698,410	724,838	(104,954)	–	34,318,294	541,094	653,205	27,162	35,539,755	–	35,539,755
Total liabilities and net assets	$ 119,109,206	$ 1,097,420	$ 106,163	$ (200,000)	$ 120,112,789	$ 588,346	$ 901,161	$ 27,162	$ 121,629,458	$ (54,424)	$ 121,575,034

RIDOH 0709

Southeastern Healthcare System, Inc.

Consolidating Statement of Operations and Changes in Net Assets

Year Ended September 30 2010

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Operating revenues														
Net patient service revenue	$ 153,671,942	$ 7,157,061	$ 11,781,163	$ 172,610,166	$ –	$ 708,699	$ –	$ 173,318,865	$ –	$ –	$ –	$ 173,318,865	$ –	$ 173,318,865
Other revenue	8,181,027	–	–	8,181,027	792,381	50,840	(261,094)	8,763,154	5,004	1,473,320	60,006	10,301,484	(60,000)	10,241,484
Net assets released from restrictions for operations	108,887	–	–	108,887	–	–	–	108,887	–		–	108,887	–	108,887
Total operating revenues	161,961,856	7,157,061	11,781,163	180,900,080	792,381	759,539	(261,094)	182,190,906	5,004	1,473,320	60,006	183,729,236	(60,000)	183,669,236
Operating expenses														
Salaries and wages	71,194,286	4,955,029	7,095,175	83,244,490	–	614,676	153,730	84,012,896	–	376,137	–	84,389,033	36,000	84,425,033
Employee benefits	26,508,509	1,635,161	784,828	28,928,498	–	174,785	–	29,103,283	–	153,930	–	29,257,213	–	29,257,213
Supplies, purchased services and other	41,256,370	464,134	2,808,782	44,529,286	570,642	305,607	(414,824)	44,990,711	5,771	834,274	60,036	45,890,792	(96,000)	45,794,792
Provision for bad debts	14,281,122	–	1,355,452	15,636,574	–	20,842	–	15,657,416	–	–	–	15,657,416	–	15,657,416
Depreciation and amortization	4,064,590	–	–	4,064,590	107,318	2,807	–	4,174,715	–	9,190	–	4,183,905	–	4,183,905
Licensing fee	7,178,101	–	–	7,178,101	–	–	–	7,178,101	–	–	–	7,178,101	–	7,178,101
Interest	1,287,152	–	–	1,287,152	–	–	–	1,287,152	–	–	–	1,287,152	–	1,287,152
Total expenses	165,770,130	7,054,324	12,044,237	184,868,691	677,960	1,118,717	(261,094)	186,404,274	5,771	1,373,531	60,036	187,843,612	(60,000)	187,783,612
(Loss) gain from operations	(3,808,274)	102,737	(263,074)	(3,968,611)	114,421	(359,178)	–	(4,213,368)	(767)	99,789	(30)	(4,114,376)	–	(4,114,376)
Non-operating gains (losses)														
Investment income	500,621	–	–	500,621	–	–	150,000	350,621	–	186	500,000	850,807	(500,000)	350,807
Net realized gains on sales of investments	715,584	–	–	715,584	–	–	–	715,584	–	–	–	715,584	–	715,584
Unrestricted donations	233,654	–	–	233,654	–	–	–	233,654	–	–	–	233,654	–	233,654
Income on externally administered trusts	285,654	–	–	285,654	–	–	–	285,654	–	–	–	285,654	–	285,654
Total nonoperating gains	1,735,513	–	–	1,735,513	–	–	(150,000)	1,585,513	–	186	500,000	2,085,699	(500,000)	1,585,699
(Deficiency) excess of revenue over expenses before change in appreciation of investments	(2,072,761)	102,737	(263,074)	(2,233,098)	114,421	(359,178)	(150,000)	(2,627,855)	(767)	99,975	499,970	(2,028,677)	(500,000)	(2,528,677)
Change in fair value of investments	817,068	–	–	817,068	–	–	–	817,068	–	–	–	817,068	–	817,068
(Deficiency) excess of revenue over expenses	$ (1,255,693)	$ 102,737	$ (263,074)	$ (1,416,030)	$ 114,421	$ (359,178)	$ (150,000)	$ (1,810,787)	$ (767)	$ 99,975	$ 499,970	$ (1,211,609)	$ (500,000)	$ (1,711,609)

RIDOH 0710

Southeastern Healthcare System, Inc.

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2010

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets											
(Deficiency) excess of revenues over expenses	$ (1,416,030)	$ 114,421	$ (359,178)	$ (150,000)	$ (1,810,787)	$ (767)	$ 99,975	$ 499,970	$ (1,211,609)	$ (500,000)	$ (1,711,609)
Change in pension liability	(281,586)	–	–	–	(281,586)	–	–	–	(281,586)	–	(281,586)
Cumulative effect of a change in accounting principle	–	–	–	–	–	–	–	–	–	–	–
Intercompany transfer	(360,000)	(150,000)	360,000	150,000	–	–	(500,000)	–	(500,000)	500,000	–
Contribution of long-lived assets	5,370	–	–	–	5,370	–	–	–	5,370	–	5,370
Net assets released from restrictions	5,707	–	–	–	5,707	–	–	–	5,707	–	5,707
Net assets released from restrictions used for purchase of property, plant and equipment	56,931	–	–	–	56,931	–	–	–	56,931	–	56,931
(Decrease) increase in unrestricted net assets	(1,989,608)	(35,579)	822	–	(2,024,365)	(767)	(400,025)	499,970	(1,925,187)	–	(1,925,187)
Change in temporarily restricted net assets.											
Contributions	217,146	–	–	–	217,146	–	–	–	217,146	–	217,146
Investment income	166,402	–	–	–	166,402	–	–	–	166,402	–	166,402
Net appreciation (realized and unrealized)	111,935	–	–	–	111,935	–	–	–	111,935	–	111,935
Net assets released from restrictions	(171,525)	–	–	–	(171,525)	–	–	–	(171,525)	–	(171,525)
Increase in temporarily restricted net assets	323,958	–	–	–	323,958	–	–	–	323,958	–	323,958
Change in permanently restricted net assets											
Restricted donations	34	–	–	–	34	–	–	–	34	–	34
Net appreciation on assets held in externally administered trusts	352,119	–	–	–	352,119	–	–	–	352,119	–	352,119
Increase in permanently restricted net assets	352,153	–	–	–	352,153	–	–	–	352,153	–	352,153
(Decrease) increase in net assets	(1,313,497)	(35,579)	822	–	(1,348,254)	(767)	(400,025)	499,970	(1,249,076)	–	(1,249,076)
Net assets, beginning of year	33,698,410	724,838	(104,954)	–	34,318,294	541,094	653,205	27,162	35,539,755	–	35,539,755
Net assets, end of year	$ 32,384,913	$ 689,259	$ (104,132)	$ –	$ 32,970,040	$ 540,327	$ 253,180	$ 527,132	$ 34,290,679	$ –	$ 34,290,679

RIDOH 0711

Southeastern Healthcare System, Inc

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2009

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Operating revenues														
Net patient service revenue	$ 150,788,168	$ 6,611,666	$ 10,359,442	$ 167,759,276	$ –	$ 846,124	$ –	$ 168,605,400	$ -	$ –	$ –	$ 168,605,400	$ –	$ 168,605,400
Other revenue	6,069,366	–	–	6,069,366	780,811	96,470	(268,286)	6,678,361	72,505	1,257,709	60,008	8,068,583	(250,399)	7,818,184
Net assets released from restrictions for operations	60,434	–	–	60,434	–	–	–	60,434	–	–	–	60,434	–	60,434
Total operating revenues	156,917,968	6,611,666	10,359,422	173,889,076	780 811	942,594	(268,286)	175,344,195	72,505	1,257,709	60,008	176 734,417	(250,399)	176,484,018
Operating expenses														
Salaries and wages	71,080,045	4,819,219	7,265,060	83,163,324	–	669,085	120,290	83,952,699	62,000	376,674	–	84391,373	–	84,391,373
Employee benefits	24,731,991	1,590,342	730,744	27,053,077	–	233,053	–	27,286,130	5,029	142,873	–	27434,032	–	27,434,032
Supplies, purchased services and other	40,162,863	172,673	2,875,296	43,210,832	817,319	356,134	(588,576)	43,795,709	3,824	634,132	60,000	44,493,665	(250,399)	44,243,266
Provision for bad debts	12,654,073	–	–	12,654,073	–	34,148	–	12,688,221	–	–	–	12,688,221	–	12,688,221
Depreciation and amortization	4,183,525	–	–	4,183,525	100,825	2,854	–	4,287,204	–	15,084	–	4,302,288	–	4,302,288
Licensing fee	7,303,539	–	–	7,303,539	–	–	–	7,303,539	–	–	–	7,303,539	–	7,303,539
Interest	1,219,502	–	–	1,219,502	–	–	–	1,219,502	–	–	–	1,219,502	–	1,219,502
Total operating expenses	161,335,538	6,582,234	10,870,100	178,787,872	918,144	1,295,274	(468,286)	180,533,004	70,853	1,168,763	60,000	181,832,620	(250,399)	181,582,221
(Loss) gain from operations	(4,417,570)	29,432	(510,658)	(4,898,796)	(137,333)	(352,680)	200,000	(5,188,809)	1,652	88,946	8	(5,098,203)	–	(5,098,203)
Non-operating gains (losses)														
Investment income	521,158	–	–	521,158	–	-	(200,000)	321,158	–	–	–	321,158	–	321,158
Net realized gains on sales of investments	(3,115,944)	–	–	(3,115,944)	–	–	–	(3,115,944)	–	–	–	(3,115,944)	–	(3,115,944)
Unrestricted donations	368,144	–	–	368,144	–	–	–	368,144	–	–	–	368,144	–	368,144
Income on externally administered trusts	245,442	–	–	245,442	–	–	–	245,442	–	–	–	245,442	–	245,442
Total nonoperating losses	(1,981,200)	–	–	(1,981,200)	–	–	(200,000)	(2,181,200)	–	–	–	(2,181,200)	–	(2,181,200)
(Deficiency) excess of revenue over expenses before change in fair value of investments	(6,879,996)	–	–	(6,879,996)	(137,333)	(352,680)	–	(7,370,009)	1,652	88,946	8	(7,279,403)	–	(7,279,403)
Change in fair value of investments	3,314,461	–	–	3,314,461	–	–	–	3,314,461	–	–	–	(3,314,461)	–	3,314,461
(Deficiency) excess of revenue over expenses	$ (3,565,535)	$ –	$ -	$ (3,565,535)	$ (137,333)	$ (352,680)	$ –	$ (4,055,548)	$ 1,652	$ 88,946	$ 8	$ (3,964,942)	$ –	$ (3,964,942)

RIDOH 0712

Southeastern Healthcare System, Inc.

Consolidating Statement of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets											
(Deficiency) excess of revenue over expenses	$ (3,565,535)	$ (137,333)	$ (352,680)	$ –	$ (4,055,548)	$ 1,652	$ 88,946	$ 8	$ (3,964,942)	$ –	$ (3,964,942)
Additional minimum pension liability	(21,789,804)	–	–	–	(21,789,804)	–	–	–	(21,789,804)	–	(21,789,804)
Cumulative effect of a change in accounting principle	(882,733)	–	–	–	(882,733)	–	–	–	(882,733)	–	(882,733)
Intercompany transfer	(225,000)	–	225,000	–	–	–	–	–	–	–	–
Contributions for capital expenditures	33,253	–	-	–	33,253	–	–	–	33,253	–	33,253
Net assets released from restrictions	(37,907)	–	–	–	(37,907)	–	–	–	(37,907)	–	(37,907)
Net assets released from restrictions used for purchase of property, plant and equipment	95,125	–	–	–	95,125	–	–	–	95,125	–	95,125
(Decrease) increase in unrestricted net assets	(26,372,601)	(137,333)	(127,680)	–	(26,637,614)	1,652	88,946	8	(26,547,008)	–	(26,547,008)
Change in temporarily restricted net assets											
Contributions	87,147	–	–	–	87,147	–	–	–	87,147	–	87,147
Investment loss	(35,707)	–	–	–	(35,707)	–	–	–	(35,707)	–	(35,707)
Net assets released from restrictions	(117,652)	–	–	–	(117,652)	–	–	–	(117,652)	–	(117,652)
Decrease in temporarily restricted net assets	(66,212)	–	–	–	(66,212)	–	–	–	(66,212)	–	(66,212)
Change in permanently restricted net assets											
Restricted donations	–	–	–	–	–	–	–	–	–	–	–
Investment income	–	–	–	–	–	–	–	–	–	–	–
Net depreciation on assets held in externally administered trusts	(77,646)	–	–	–	(77,646)	–	–	–	(77,646)	–	(77,646)
Decrease in permanently restricted net assets	(77,646)	–	–	–	(77,646)	–	–	–	(77,646)	–	(77,646)
(Decrease) increase in net assets	(26,516,459)	(137,333)	(127,680)	–	(26,781,472)	1,652	88,946	8	(26,690,866)	–	(26,690,866)
Net assets, beginning of year	60,214,869	862,171	22,726	–	61,099,766	539,442	564,259	27,154	62,230,621	–	62,230,621
Net assets, end of year	$ 33,698,410	$ 724,838	$ (104,954)	$ –	$ 34,318,294	$ 541,094	$ 653,205	$ 27,162	$ 35,539,755	$ –	$ 35,539,755

RIDOH 0713

Ernst & Young LLP

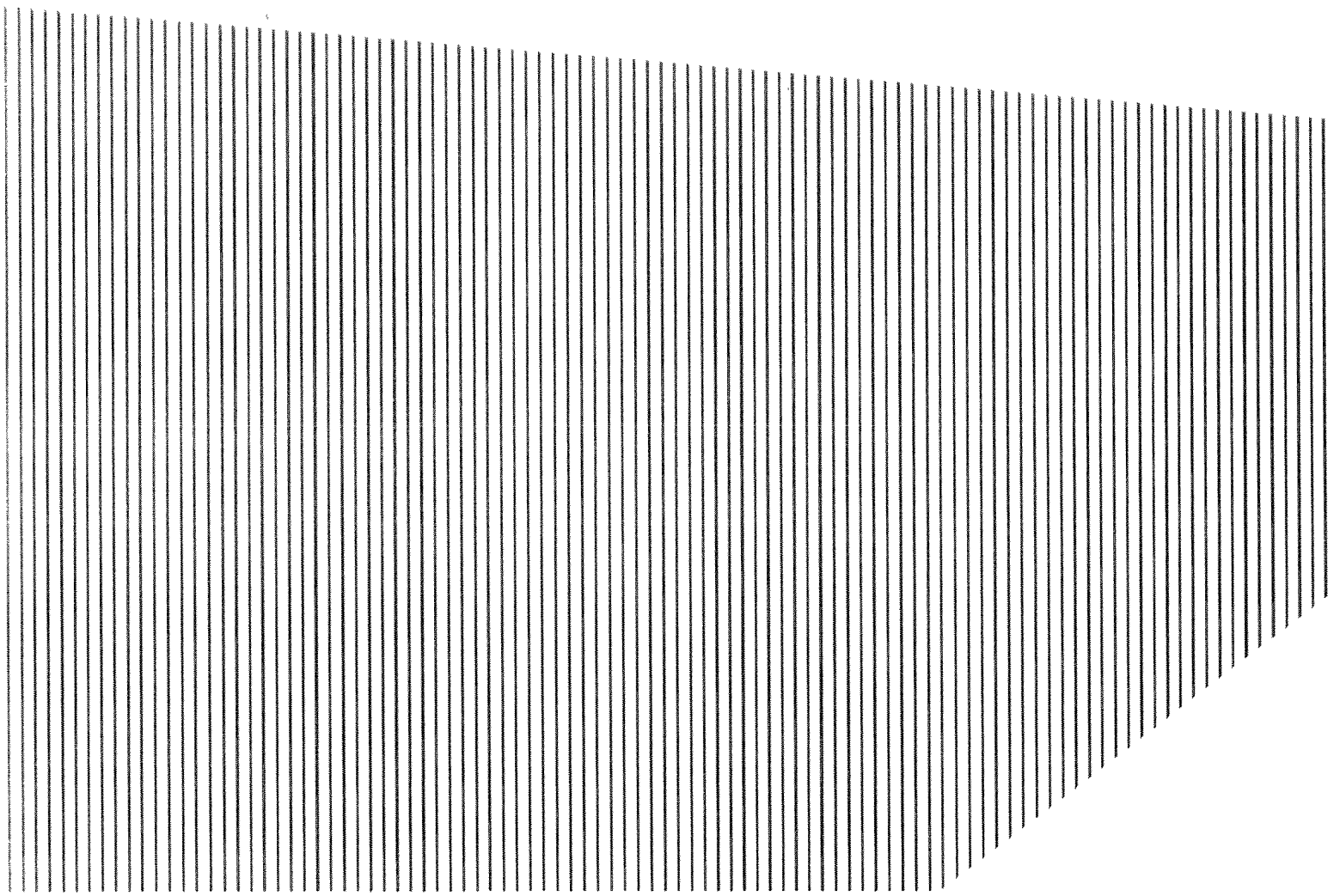
Assurance | Tax | Transactions | Advisory

About Ernst & Young

Ernst & Young is a global leader in assurance, tax, transaction and advisory services. Worldwide, our 141,000 people are united by our shared values and an unwavering commitment to quality. We make a difference by helping our people, our clients and our wider communities achieve their potential.

For more information, please visit www.ey.com.

Ernst & Young refers to the global organization of member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. This Report has been prepared by Ernst & Young LLP, a client serving member firm operating in the United States.



[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Audited Consolidated Financial Statements and Other Financial Information

Southeastern Healthcare System, Inc. and Affiliates
Years Ended September 30, 2009 and 2008
With Report of Independent Auditors

Southeastern Healthcare System, Inc. and Affiliates

Audited Consolidated Financial Statements
and Other Financial Information

Years Ended September 30, 2009 and 2008

Contents

Report of Independent Auditors 1

Consolidated Financial Statements

Consolidated Balance Sheets 2
Consolidated Statements of Operations and Changes in Net Assets 4
Consolidated Statements of Cash Flows 6
Notes to Consolidated Financial Statements 7

Other Financial Information

Report of Independent Auditors on Other Financial Information 26
Consolidating Balance Sheets 27
Consolidating Statements of Operations and Changes in Net Assets 31

Ernst & Young LLP
Goodwin Square
225 Asylum Street
Hartford CT 06103-1506
Tel +1 860 247 3100
Fax +1 860 725 6040
www.ey.com

Report of Independent Auditors

Board of Trustees
Southeastern Healthcare System, Inc. and Affiliates

We have audited the accompanying consolidated balance sheets of Southeastern Healthcare System, Inc. and Affiliates (the System) as of September 30, 2009 and 2008, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of SHSI's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the System's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the System's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Southeastern Healthcare System, Inc. and Affiliates at September 30, 2009 and 2008, and the consolidated results of their operations and changes in net assets, and their cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Ernst & Young LLP

March 1, 2010

A member firm of Ernst & Young Global Limited

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Balance Sheets

	September 30 2009	2008
Assets		
Current assets:		
Cash and cash equivalents	$ **1,791,975**	$ 2,705,681
Current portion of assets whose use is limited	**1,789,391**	2,409,152
Patient accounts receivable, net of allowance for doubtful accounts of approximately $8,270,000 and $7,730,000 for 2009 and 2008, respectively	**34,750,619**	35,164,101
Other accounts receivable	**1,213,767**	884,795
Estimated settlements with third-party payors	**3,062,696**	2,646,557
Inventories	**759,265**	940,603
Prepaid expenses and other	**1,117,861**	756,681
Total current assets	**44,485,574**	45,507,570
Assets whose use is limited:		
By the Board for designated purposes	**30,817,515**	32,447,532
Held by trustee under indenture agreement	**–**	788,320
Pledges receivable	**403,319**	467,425
By donors for designated purposes	**691,314**	757,526
By donors for permanent endowment	**3,124,158**	3,124,158
By externally administered trusts	**6,236,856**	6,314,502
Deferred compensation	**2,399,725**	2,376,554
	43,672,887	46,276,017
Less amount required to meet current obligations	**(1,789,391)**	(2,409,152)
Total non-current assets whose use is limited	**41,883,496**	43,866,865
Property and equipment, net	**34,945,135**	37,621,766
Other assets, net	**260,829**	287,581
Total assets	**$ 121,575,034**	$ 127,283,782

RIDOH 0719

	September 30	
	2009	2008
Liabilities and net assets		
Current liabilities:		
Accounts payable and accrued expenses	**$ 24,667,002**	$ 25,897,424
Accrued interest payable	**174,984**	187,659
Current portion of long-term debt and capital lease obligations	**1,582,385**	1,582,385
Line of credit	**5,000,000**	5,000,000
Total current liabilities	**31,424,371**	32,667,468
Long-term pension liability	**36,780,563**	13,216,621
Long-term debt, net of current portion	**14,275,868**	15,858,253
Estimated self-insurance liabilities and other liabilities	**1,154,752**	934,265
Deferred compensation liability	**2,399,725**	2,376,554
Total liabilities	**86,035,279**	65,053,161
Net assets:		
Unrestricted	**25,487,427**	52,034,435
Temporarily restricted	**691,314**	757,526
Permanently restricted	**9,361,014**	9,438,660
Total net assets	**35,539,755**	62,230,621
Total liabilities and net assets	**$ 121,575,034**	$ 127,283,782

See accompanying notes.

RIDOH 0720

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changed in Net Assets

	Year Ended September 30	
	2009	**2008**
Operating revenues:		
Net patient service revenue	**$ 168,605,400**	$ 165,491,224
Other revenue	**7,818,184**	8,524,051
Net assets released from restrictions for operations	**60,434**	202,724
Total operating revenues	**176,484,018**	174,217,999
Operating expenses:		
Salaries and wages	**84,391,373**	86,954,079
Employee benefits	**27,434,032**	25,528,232
Supplies, purchased services, and other	**44,243,266**	46,429,117
Provision for bad debts	**12,688,221**	12,397,208
Depreciation and amortization	**4,302,288**	4,425,073
Licensing fee	**7,303,539**	4,567,793
Interest	**1,219,502**	1,256,611
Total operating expenses	**181,582,221**	181,558,113
Loss from operations	**(5,098,203)**	(7,340,114)
Non-operating (losses) gains:		
Investment income	**321,158**	800,262
Net realized (losses) gains on sales of investments	**(3,115,944)**	2,536,900
Unrestricted donations	**368,144**	761,039
Income on assets held in trust	**245,442**	256,679
Total nonoperating (losses) gains	**(2,181,200)**	4,354,880
Deficiency of revenue over expenses before change in appreciation (depreciation) of investments	(7,279,403)	(2,985,234)
Change in appreciation (depreciation) of investments	**3,314,461**	(10,382,330)
Deficiency of revenue over expenses	**(3,964,942)**	(13,367,564)

(Continued on next page)

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2009	**2008**
Change in unrestricted net assets (continued):		
Deficiency of revenue over expenses	**(3,964,942)**	(13,367,564)
Change in pension liability	**(21,789,804)**	(1,772,482)
Effect of change in measurement date for pension liability	**(882,733)**	–
Net assets released from restrictions	**(37,907)**	–
Contribution of long-lived assets	**33,253**	13,000
Net assets released from restrictions used for purchase of property and equipment	**95,125**	1,783,180
Decrease in unrestricted net assets	**(26,547,008)**	(13,343,866)
Change in temporarily restricted net assets:		
Contributions	**87,147**	484,594
Investment income	**(35,707)**	871,944
Net assets released from restrictions	**(117,652)**	(1,985,904)
Decrease in temporarily restricted net assets	**(66,212)**	(629,366)
Change in permanently restricted net assets:		
Change in unrealized depreciation on assets held in externally administered trusts	**(77,646)**	(1,009,236)
Permanently restricted contributions to externally administered trusts	–	69
Decrease in permanently restricted net assets	**(77,646)**	(1,009,167)
Decrease in net assets	**(26,690,866)**	(14,982,399)
Net assets at beginning of year	**62,230,621**	77,213,020
Net assets at end of year	**$ 35,539,755**	$ 62,230,621

See accompanying notes.

RIDOH 0722

Southeastern Healthcare System, Inc. and Affiliates

Consolidated Statements of Cash Flows

	Year Ended September 30	
	2009	**2008**
Operating activities		
Decrease in net assets	**$ (26,690,866)**	$ (14,982,399)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities and non-operating gains:		
Depreciation and amortization	**4,302,288**	4,425,073
Provision for bad debts	**12,688,221**	12,397,208
Amortization of bond premium	**(22,385)**	(22,385)
Change in pension liability and effect of change in measurement date for pension liability	**22,672,537**	1,772,482
Restricted contributions and investment income	**(51,440)**	(1,356,607)
Change in:		
Patient accounts receivable	**(12,274,739)**	(12,923,389)
Other accounts receivable	**(328,972)**	(341,911)
Estimated settlements with third-party payors	**(416,139)**	(1,838,674)
Inventories	**181,338**	149,282
Prepaid expenses and other	**(361,180)**	100,874
Investments classified as trading	**2,603,130**	17,241,787
Accounts payable, accrued expenses and pension	**(339,017)**	2,738,281
Accrued interest payable	**(12,675)**	(15,600)
Estimated self-insurance liabilities and other liabilities	**220,487**	240,078
Deferred compensation liability	**23,171**	(279,125)
Net cash provided by operating activities and non-operating gains	**2,193,759**	7,304,975
Investing activities		
Purchases of property and equipment, net	**(1,598,905)**	(6,127,166)
Net cash used in investing activities	**(1,598,905)**	(6,127,166)
Financing activities		
Restricted contributions and investment income	**51,440**	1,356,607
Repayments of long-term debt and additional financing costs	**(1,560,000)**	(1,560,000)
Borrowings on line of credit, net	**-**	406,000
Net cash (used) provided by financing activities	**(1,508,560)**	202,607
Net (decrease) increase in cash and cash equivalents	**(913,706)**	1,380,416
Cash and cash equivalents at beginning of year	**2,705,681**	1,325,265
Cash and cash equivalents at end of year	**$ 1,791,975**	$ 2,705,681

See accompanying notes.

RIDOH 0723

Southeastern Healthcare System, Inc. and Affiliates

Notes to Consolidated Financial Statements

September 30, 2009

1. Summary of Significant Accounting Policies

Organization

Southeastern Healthcare System, Inc. (SHSI), formed in 1997, is the sole corporate member or shareholder of Memorial Hospital of Rhode Island (the Hospital), Primary Care Centers of New England, Inc. (PCCNE), and Blackstone Health, Inc. (BHI) (collectively referred to as the System). The Hospital is the sole corporate member of R.S. Realty Company (RSR) and SHS Ventures, Inc. (Ventures).

The Hospital is a 294-bed, acute care, not-for-profit community teaching and research hospital located in Pawtucket, Rhode Island, and is affiliated with Brown University School of Medicine. RSR owns and leases apartments and office space primarily to Hospital employees. PCCNE provides staffing to Ventures and the Hospital. Ventures consists of Massachusetts-based physician practices. BHI receives and administers certain grant funds, and provides services to elderly and disabled residents in the local area.

Principles of Consolidation

The accompanying consolidated financial statements include the assets of SHSI and its controlled affiliates. The assets of any one of the members of the consolidated group may not be available to meet the obligations of other entities in the group. Intercompany balances and transactions between the organizations have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

RIDOH 0724

1. Summary of Significant Accounting Policies (continued)

Net Patient Service Revenue

The System has entered into payment agreements with Medicare, Medicaid, and various commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the System under those agreements includes prospectively determined rates per discharge, discounts from established charges, costs (subject to limits), fee screens, prospectively determined per diem rates, and capitation fees earned on a per-member-per-month basis. Net patient service revenue is reported at the estimated net realizable amounts due from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Under the terms of various agreements, regulations and statutes, certain elements of third-party reimbursement are subject to negotiation, audit, and final determination by the third-party payors. Variances between preliminary estimates of net patient service revenue and final third-party settlements are included in net patient service revenue in the year in which the settlement or change in estimate occurs. During fiscal year 2009 and 2008, the System recorded a change in estimate of $923,712 and $ (12,188), respectively.

Consolidated Statements of Operations

The consolidated statements of operations include the excess of revenue over expenses. Changes in unrestricted net assets, which are excluded from the excess of revenues over expenses, consistent with industry practice, include contributions of long-lived assets, including assets acquired using contributions which, by donor restrictions, were to be used for the purpose of acquiring such assets, change in pension liability, the effect of change in measurement date for pension liability, and net assets released from restrictions used to purchase property and equipment.

For presentation purposes, transactions deemed by management to be ongoing, major, or central to the provision of health care services are reported as operating revenue and operating expenses. Other transactions not considered major or central to the provision of health care services are reported as non-operating gains and losses, which primarily consist of investment income and unrestricted donations.

1. Summary of Significant Accounting Policies (continued)

Grant Revenue

The Hospital receives grants from agencies of the federal government and other sources to perform medical research and educational projects. Revenue related to the grants is recognized as the related costs are incurred. Grant revenues included in other revenue amounted to $3,333,161 and $3,891,994 for the years ended September 30, 2009 and 2008, respectively. Deferred revenues which relate to grant funds received prior to costs being incurred are included in accounts payable and accrued expenses and amounted to $910,973 and $755,538 at September 30, 2009 and 2008, respectively.

Functional Expenses

Substantially all expenses in the accompanying consolidated statements of operations are related to the delivery of health care services and the performance of medical research and educational projects.

Disproportionate Share Program

The Hospital is a participant in the State of Rhode Island's Disproportionate Share Program, which was established in 1995 to assist hospitals that provide a disproportionate amount of uncompensated care. Under the program, the Hospital receives federal and state Medicaid funds as additional reimbursement for treating a disproportionate share of low-income patients. Payments to the Hospital under the Disproportionate Share Program of $8,346,204 and $6,349,608 for the years ended September 30, 2009 and 2008, respectively, are included in net patient service revenue in the accompanying consolidated statements of operations.

Assessments

The State of Rhode Island assesses a licensing fee to all Rhode Island hospitals based upon each hospital's gross patient service revenue as reported on filed cost reports. The Hospital's licensing fee amounted to $7,303,539 and $4,567,793 for the years ended September 30, 2009 and 2008, respectively.

RIDOH 0726

1. Summary of Significant Accounting Policies (continued)

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of amounts restricted by donors for specific purposes. Permanently restricted net assets have been restricted by donors and are to be maintained by the System in perpetuity. Also included in permanently restricted net assets are assets held in externally administered irrevocable trusts which are not under the System's control. The System is the income beneficiary of certain perpetual trusts and has recognized its share of the fair value of the perpetual trusts as a permanently restricted asset. The System's share represents the percentage of interest the System has in the perpetual trust's income distributions. The System's share of the increase or decrease in fair value of the perpetual trusts is reported as an increase or decrease in permanently restricted net assets.

Donor Restricted Gifts

Unconditional promises to give cash and other assets to the System are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date the gift is received. Gifts are reported as either temporarily or permanently restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of operations as net assets released from restrictions. Donor restricted contributions whose restrictions are met within the same year as received are reported as unrestricted donations.

Cash and Cash Equivalents

Cash and cash equivalents include investments in highly-liquid debt instruments with maturities of three months or less when purchased, excluding assets whose use is limited or restricted.

Inventories

Inventories are stated at the lower of cost or market, cost being determined on a weighted-average basis, except for the pharmacy and central processing department, which utilize the first-in, first-out basis.

RIDOH 0727

1. Summary of Significant Accounting Policies (continued)

Assets Whose Use Is Limited

Resources set aside for board-designated purposes or limited under terms of loan agreements are considered to be assets whose use is limited. Assets whose use is limited that are required for obligations classified as current liabilities are classified as current assets.

Assets whose use is limited by donors for designated purposes consist of amounts contributed for the design and renovation of the Hospital's facility. Assets whose use is limited by donors for permanent endowment funds contain a donor-imposed restriction stipulating that these resources be maintained permanently. However, the restriction permits the Hospital to use or expend all of the income and net gains derived from the donated assets. Accordingly, investment income on the assets is unrestricted. Rhode Island general law allows organizations to permanently restrict investment earnings on permanently restricted funds to maintain the purchasing power of the original dollar value of the funds. The law also allows the governing board to expend such funds as permitted under other laws, the terms of the applicable gift instrument, or the charter of the institution. Each year, the Board of Trustees has designated all income of permanently restricted assets, other than externally administered trusts, for future Hospital use and, therefore, the income has been classified as unrestricted.

The Hospital is the beneficiary of the income from externally administered trusts, which are not under its control. Income from these trusts is unrestricted, and the annual distributions received by the Hospital are reported as non-operating gains in the consolidated statements of operations.

Investments and Investment Income

The Hospital has designated its investment portfolio as trading. Investments in equity securities with readily determinable fair values and investments in debt securities are measured at fair value in the consolidated balance sheets. Fair value is generally determined based on quoted market price. Investment income or loss (including realized and unrealized gains and losses on investments, interest, and dividends) is included in the excess of revenues over expenses, net of investment expenses.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Equipment under capital leases is amortized using the straight-line method over the shorter of the period of the lease term or the estimated useful life of the equipment. Such amortization of capitalized leases is included with depreciation expense in the accompanying consolidated statements of operations.

1. Summary of Significant Accounting Policies (continued)

Gifts of long-lived assets such as land, buildings, and equipment are reported as unrestricted contributions and are excluded from the excess of revenue over expenses, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted contributions. Absent explicit donor stipulations about how long these long-lived assets must be maintained, expiration of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of debt, which are being amortized over the term of the related debt issue. Amortization expense amounted to $26,753 and $26,753 for the years ended September 30, 2009 and 2008, respectively.

Fair Value of Financial Instruments

The fair value of the System's financial instruments approximates the carrying amount reported in the consolidated balance sheets for cash and cash equivalents, receivables, and payables. See Note 13 for the fair value of investments and assets whose use is limited and Note 6 for the fair value of long-term debt.

Tax Status

SHSI, the Hospital, Ventures and BHI have been recognized as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code (the Code). RSR has been recognized as a tax-exempt organization under Section 501(c)(2) of the Code. Those organizations are, therefore, exempt from federal taxes on related income pursuant to Section 501(a) of the Code. PCCNE is organized as a for-profit corporation and is, therefore, subject to tax. The provision for income taxes on the earnings of PCCNE is immaterial to the consolidated financial statements.

As of September 30, 2009, PCCNE has net operating loss carryforwards of approximately $1,380,000 for income tax purposes. These carryforwards resulted from PCCNE incurring operating losses in prior years. A deferred tax asset for these losses of approximately $552,000 is offset by a corresponding valuation allowance of the same amount.

RIDOH 0729

1. Summary of Significant Accounting Policies (continued)

New Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board (FASB) issued Statement No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* (Statement 168). Statement 168 establishes the FASB Accounting Standards Codification (ASC, also collectively known as the Codification) as the single source of authoritative GAAP to be applied by nongovernmental entities. The Codification was developed to organize GAAP pronouncements by topic so that users can more easily access authoritative accounting guidance. It is organized by topic, subtopic, section, and paragraph, each of which is identified by a numerical designation. Statement 168 is effective for financial statements issued for interim and annual periods ending after September 15, 2009. The System has adopted Statement 168 for its year ended September 30, 2009. Accounting references have been updated and replaced with ASC references.

In September 2006, the FASB issued Statement No. 157, *Fair Value Measurements*, (hereafter referred to as ASC No. 820) which defines fair value, establishes a framework for measuring fair value in accordance with GAAP, and expands disclosure about fair value measurements. The System adopted ASC No. 820 effective October 1, 2008. The effect of adopting ASC No. 820 was not material to the System's financial statements.

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities,* (hereafter referred to as ASC No. 825) which permits companies to choose to measure certain financial instruments and other items at fair value that are not currently required to be measured at fair value. The System adopted ASC No. 825 effective October 1, 2008. The System did not elect the option to value any other assets or liabilities at fair value.

In June 2009, the FASB issued a Statement on Subsequent Events. This statement provides authoritative accounting guidance and disclosure requirements for material events occurring subsequent to the balance sheet date and prior to the issuance of the financial statements. This statement is effective for the System for the year ended September 30, 2009. The System has evaluated the impact of subsequent events through March 1, 2010, representing the date at which the financial statements were issued.

Reclassifications

Certain reclassifications have been made to the year ended September 30, 2008 balances previously reported in the balance sheets in order to conform with the year ended September 30, 2009 presentation.

RIDOH 0730

2. Revenues from Services to Patients and Uncompensated Care

During fiscal years 2009 and 2008, the Hospital's net revenues from services to patients were 32% and 33% from Medicare and 17% and 16% from Medicaid, respectively. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. As a result there is at least a reasonable possibility that recorded estimates will change by material amounts in the near term. The Hospital believes that it is in compliance with all applicable laws and regulations, and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. Compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs. Changes in the Medicare and Medicaid programs and the reduction of funding levels could have an adverse impact on the Hospital.

Patient accounts receivable and revenues are recorded when patient services are performed. The Hospital has agreements with certain third-party payors, including health maintenance organizations, that provide for payments to the Hospital at amounts different from the Hospital's established billing rates. These differences are accounted for as allowances. Under those agreements, the Hospital receives reimbursement based on a number of different payment arrangements.

Net revenues from services to patients is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods as final settlements are determined. Revenue under third-party payor agreements is subject to audit and retroactive adjustments. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered and such amounts are adjusted in future periods as adjustments become known or as years are no longer subject to such audits, reviews, and investigations.

The Hospital provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because the Hospital does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. In addition to the above-mentioned medical care rendered, the Hospital provides numerous other services to the community for which charges are not generated. These services include translation of medical information into various languages, physician referral services, health care screenings (including those done at employer sites), community support groups, health educational programs, physician services, and general community benefit services such as disaster relief. In addition, volunteer services are provided by Hospital staff to the community on their own time.

2. Revenues from Services to Patients and Uncompensated Care (continued)

The Hospital also provides services to other indigent patients under the Medicaid program, which reimburses health care providers at amounts which are, in total, estimated to be less than the cost of services provided. The differences between the cost of services provided to indigent patients and the expected reimbursement is also considered to be charitable services by the Hospital but they have not been included in the amounts disclosed above.

In addition to the cost of charity care and other community service programs, the Hospital provided $12,688,221 and $12,397,208 for uncollectible patient accounts during the years ended September 30, 2009 and 2008, respectively.

3. Assets Whose Use is Limited

Assets whose use is limited consists of the following at fair value at September 30:

	2009	2008
Interest and other receivables	**$ 1,282,145**	$ 1,219,524
Pledges receivable	**403,319**	467,425
Deferred compensation trust	**2,399,725**	2,376,554
Assets held in externally administered trusts	**6,236,856**	6,314,502
Cash and money market investments	**6,810,242**	6,357,090
Marketable securities	**26,540,600**	29,540,922
	$ 43,672,887	$ 46,276,017

Marketable securities consist of the following at fair value at September 30:

	2009	2008
Equity securities	**$ 16,172,893**	$ 15,658,736
Corporate bonds	**4,134,555**	5,076,358
Mutual funds	**3,707,015**	4,597,555
U.S. government obligations	**2,526,137**	4,208,273
	$ 26,540,600	$ 29,540,922

RIDOH 0732

3. Assets Whose Use is Limited (continued)

The System's unrestricted investment return for the years ended September 30 consisted of the following:

	2009	2008
Interest income	$ 321,158	$ 800,262
Net realized (losses) gains on sales of investments	(3,115,944)	2,536,900
Income on assets held in trust	245,442	256,679
	(2,549,344)	3,593,841
Interest and dividend income on trustee funds included in other operating revenue	–	37,783
Change in (depreciation) appreciation of investments	3,314,461	(10,382,330)
	$ 765,117	$ (6,750,706)

4. Endowment

The System has interpreted the Rhode Island Uniform Prudent Management of Institutional Funds Act (UPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, beginning in fiscal year 2010, the System will classify as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment related to the direction of the applicable donor gift instrument at the time of the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the System in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund; (2) the purposes of the System and the donor-restricted endowment fund; (3) general economic conditions; (4) the possible effect of inflation and deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of the System; and (7) the investment and spending policies of the System.

RIDOH 0733

4. Endowment (continued)

The System's endowment consists of funds established for a variety of purposes. The endowment includes donor-restricted endowment funds. The System's net asset composition by fund type as of September 30, 2009 includes:

Changes in endowment net asset for the year ended September 30, 2009 is as follows:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ –	$ 9,438,660	$ 9,438,660
Change in value of beneficial interest trust	–	(77,646)	(77,646)
Endowment net assets, end of year	$ –	$ 9,361,014	$ 9,361,014

From time to time, the fair value of assets associated with permanently restricted endowment funds may fall below the level determined under UPMIFA.

The System has adopted investment practices for endowment assets that attempt to provide a predictable stream of funding to programs supported by the endowment. To satisfy its long-term rate-of-return objectives, the System relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

5. Property and Equipment

Property and equipment consisted of the following at September 30:

	2009	2008
Land	$ **1,912,714**	$ 1,912,714
Land improvements	**1,539,572**	1,539,572
Buildings and improvements	**48,444,254**	48,332,401
Equipment	**57,003,672**	66,912,616
Construction-in-progress	**402,984**	257,610
	109,303,196	118,954,913
Less accumulated depreciation and amortization	**(74,358,061)**	(81,333,147)
Property and equipment, net	$ **34,945,135**	$ 37,621,766

RIDOH 0734

6. Line of Credit

The Hospital has an unsecured revolving line of credit with a bank which provides for borrowings of up to $5,000,000 for both fiscal 2009 and 2008. Interest accrues at the effective LIBOR rate of LIBOR plus 3.5% (4.75% at September 30, 2009).

7. Long-term Debt

Long-term debt consists of the following at September 30:

	2009	2008
Rhode Island Health and Educational Building Corporation Hospital Financing Revenue Refunding Bonds	**$ 15,640,000**	$ 17,200,000
Add premium	**218,253**	240,638
Less current portion	**(1,582,385)**	(1,582,385)
Long-term debt	**$ 14,275,868**	$ 15,858,253

In December 2003, the Rhode Island Health and Educational Building Corporation (RIHEBC) issued $25,000,000 of Series 2003 Hospital Financing Revenue Refunding Bonds (the Bonds) on behalf of the Hospital. RIHEBC loaned the proceeds of the Bonds to the Hospital pursuant to the Loan and Trust Agreement (the Agreement) dated December 1, 2003. The terms of the Agreement stipulate that interest will be paid at fixed rates ranging from 2.00% to 5.25% per annum (weighted-average rate at September 30, 2008 and 2009 was 4.36% and 4.48%, respectively), with principal installments commencing July 1, 2004 and ending July 1, 2019.

The Bonds are issued under and collateralized by the Agreement. The terms of the Agreement require that the Hospital makes quarterly payments to the trustee, which are sufficient to provide for payment of principal and interest due on the Bonds. The Bonds are collateralized by a lien on the Hospital's gross receipts. Additional debt collateralized on a parity with the Bonds may only be incurred by the Hospital in accordance with restrictions of the Agreement.

As security for the payment of the principal amount of the bonds, a bank letter of credit was issued under the terms of a Reimbursement Agreement between the Hospital and the bank dated December 31, 2003 (Reimbursement Agreement). Section 7 of the Reimbursement Agreement contains various covenants with which the Hospital must comply.

RIDOH 0735

7. Long-term Debt (continued)

At September 30, 2008 the Hospital was not in compliance with Section 7(k) of the Reimbursement Agreement which relates to leverage. This situation was primarily due to the deterioration of the financial markets and the related decline in the Hospital's investment portfolio. On March 13, 2009 the Hospital received a waiver from the bank whereby the bank agreed to waive such defaults as of September 30, 2008. On July 31, 2009 the Hospital received an amendment, which modified several terms of the Reimbursement Agreement, including certain financial ratios. At September 30, 2009 the Hospital was in compliance with all covenants contained in the Reimbursement Agreement. The aggregate maturities of long-term debt (prior to amortization of premium) for the next five fiscal years ending September 30 and thereafter are approximately as follows:

2010	$ 1,560,000
2011	1,560,000
2012	1,560,000
2013	1,560,000
2014	1,560,000
Thereafter	7,840,000

Cash paid for interest on all borrowings during the years ended September 30, 2009 and 2008 was approximately $1,255,000 and $1,295,000, respectively.

8. Pension Plan

The Hospital has a defined benefit pension plan (the Plan) covering substantially all of its employees. The plan benefits are based on years of service and employees' compensation during the last five years of covered employment. The Hospital makes annual contributions to the Plan, which approximates the amount of net periodic pension cost. Contributions are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

RIDOH 0736

8. Pension Plan (continued)

On September 29, 2006, the FASB issued Statement No., *158, Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, and amendment of FASB Statements No. 87, 88, 106 and 123(R)* (hereafter referred to as ASC No. 715). In 2009, the System adopted the measurement date provisions of ASC No. 715. ASC No. 715 required the System to measure defined benefit plan assets and obligations as of September 30, the date of its fiscal year end statement of financial position. Prior to the implementation of this change, the measurement date for the System's pension and postretirement benefit plans was June 30. The adjustment to unrestricted net assets at adoption represents a decrease to net assets of $882,733 and an increase to accrued pension obligation. The adoption of the measurement date provision of ASC No. 715 had no effect on the System's financial results for fiscal 2009 or any prior period presented. It will not affect the System's operating results in future periods.

The following table sets forth the status of the retirement plan as of September 30:

	2009	2008
Change in benefit obligation		
Projected benefit obligation at beginning of year	**$ 90,314,749**	$ 86,998,357
Service cost	**4,329,294**	3,449,380
Interest cost	**7,512,867**	5,566,320
Benefits paid	**(2,712,676)**	(2,405,638)
Actuarial gain (loss)	**7,989,424**	(3,293,670)
Projected benefit obligation at end of year	**107,433,658**	90,314,749
Change in plan assets		
Fair value of plan assets at beginning of year	**72,078,175**	73,104,188
Actual return on plan assets	**(3,626,491)**	(1,425,712)
Contributions and transfers	**4,914,087**	2,805,337
Benefits paid	**(2,712,676)**	(2,405,638)
Fair value of plan assets at end of year	**70,653,095**	72,078,175
Unfunded status	**$ (36,780,563)**	$ (18,236,574)

Accrued pension cost included in accounts payable and accrued expenses as of September 30, 2008 was $5,019,953.

RIDOH 0737

8. Pension Plan (continued)

Components of net periodic pension cost are as follows for the years ended September 30:

	2009	2008
Service cost – benefits earned during the year	**$ 4,329,294**	$ 3,449,380
Interest cost on projected benefit obligation	**7,512,867**	5,566,320
Actual return on plan assets	**(8,217,105)**	(6,599,179)
Net amortization and deferral	**823,294**	387,964
Net periodic pension cost	**$ 4,448,350**	$ 2,804,485

The adoption of ASC No. 715 resulted in an addition three months of net periodic pension costs. Costs of $882,733 as a result of the adoption were recognized as a reduction of unrestricted net assets. The remaining $3,565,617 of expense is included within employee benefits expense.

Assumptions

Weighted-average assumptions used to determine benefit obligations and net cost at September 30, 2009 and 2008 and the years then ended are as follows:

	Benefit Obligations		Net Periodic Pension Cost	
	2009	2008	2009	2008
Discount rate	**5.80%**	6.75%	6.75%	6.50%
Expected rate of return on plan assets	**9.00%**	9.00%	9.00%	9.00%
Rate of compensation increase	**2.00%**	4.00%	2.00%	4.00%

The expected rate of return on plan assets was determined by the expected return on each asset class based on a model that considers historical and expected future performance.

The accumulated benefit obligation was $96,899,855 and $77,673,717 at September 30, 2009 and 2008, respectively.

The measurement date for determining plan assets and obligations is September 30.

RIDOH 0738

8. Pension Plan (continued)

Plan Assets

The pension plan weighted-average asset allocations as of September 30, 2009 and 2008, by asset category, are as follows:

	Target Allocation	2009	2008
Equity securities	38%	34%	37%
Annuities	42	47	41
Debt securities	20	12	16
Cash equivalents	–	7	6
Total	100%	100	100%

The goals of the pension plan are to provide a secure retirement benefit for pension plan participants and to manage pension plan assets for the exclusive benefit of the participants. The invested assets will be managed on a long-term total return basis and measured against established benchmarks for each asset class. Risk management is achieved by limiting the size of asset class and individual security positions to achieve adequate diversification. The Plan will maintain a funded level sufficient to ensure benefit security.

Cash Flows

Contributions

The Hospital funds its pension plan in accordance with guidelines prescribed by the Employee Retirement Income Security Act of 1974 (ERISA). The Hospital expects to contribute $5,480,065 to its pension plan in fiscal 2010.

Estimated Future Benefit Payments

Benefit payments, which reflect expected future service, are expected to be paid as follows:

2010	$ 3,544,000
2011	3,690,000
2012	4,215,000
2013	4,640,000
2014	4,963,000
2015 – 2019	30,721,000

RIDOH 0739

9. Estimated Self-Insurance Liabilities

Professional Liability Insurance

Effective July 1, 2004, professional liability insurance coverage was provided on an occurrence basis. Such coverage was provided on a claims-made basis through June 30, 2004. The claims-made policies cover only claims made during the terms of the policies and not those occurrences for which claims may be made after expiration of the policies. The System is self-insured with respect to incurred but not reported (IBNR) claims incurred prior to July 1, 2004. Accordingly, the System has recorded a liability of $444,037 at September 30, 2009 for such IBNR exposure.

Workers' Compensation Insurance

The System is self-insured with respect to workers' compensation risks up to a maximum of $350,000 per claim. The provision for estimated self-insured workers' IBNR compensation claims includes estimates of the ultimate costs for both reported claims and claims. The estimates incorporate the System's past experience, as well as other considerations.

10. Concentration of Credit Risk

The Hospital grants credit without collateral to its patients, many of whom are local residents and are insured under third-party payor agreements. The percentage of accounts receivable from patients and various third-party payors was as follows at September 30:

	2009	2008
Medicare	32%	33%
Blue Cross	30	31
Medicaid	17	16
Other third-party payors	15	15
Patients	6	5
	100%	100%

RIDOH 0740

11. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets consist of the following at September 30:

	2009	2008
General activities	$ 559,977	$ 604,235
Research	131,337	153,292
	$ 691,314	$ 757,527

Permanently restricted net assets consist of the following at September 30:

	2009	2008
Principal portion of contributions restricted in perpetuity by donors	$ 3,124,158	$ 3,124,158
Assets held in externally administered trusts	6,236,856	6,314,502
	$ 9,361,014	$ 9,438,660

12. Commitments and Contingencies

The System is a defendant in several lawsuits, which are in various stages of progress or discovery. Management believes that its insurance coverage is adequate to cover claims made under all such lawsuits and, accordingly, no provision for loss has been reflected in the accompanying consolidated financial statements.

13. Fair Value Measurement

The System has adopted the methods of calculating fair value as defined in ASC No. 820 to value its financial assets and liabilities, where applicable. ASC No. 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants.

ASC No. 820 establishes a three tier valuation hierarchy for fair value disclosure purposes. This hierarchy is based on the transparency of the inputs utilized for the valuation. The three levels are defined as follows:

Level 1: Quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities. This established hierarchy assigns the highest priority to Level 1 assets.

RIDOH 0741

13. Fair Value Measurement (continued)

Level 2: Observable inputs that are based on data not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs that are used when little or no market data is available. The Level 3 inputs are assigned the lowest priority.

In determining fair value, the System utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. The System also considers nonperformance risk in the overall assessment of fair value.

Financial assets carried at fair value as of September 30, 2009 are classified in the following table in one of the three categories described above (in thousands):

	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 8,602,217	$ –	$ –	$ 8,602,217
Mutual Funds	3,707,015	–	–	3,707,015
Equity securities	16,172,893			16,172,893
U.S. government obligations	2,526,137	–	–	2,526,137
Corporate bonds	4,134,555	–	–	4,134,555
Common collective trusts	–	8,636,581		8,636,581
Investments at fair value	$ 35,142,817	$ 8,636,581	$ –	43,779,398
Interest and other receivables				1,282,145
Pledge receivable				403,319
Total investments				$ 45,464,862

The fair value of long-term debt, which is not required to be carried at fair value, is approximately $16,172,000 and 16,419,000 at September 30, 2009 and 2008, respectively. Fair value of long-term debt is based on current borrowing rate for similar types of debt using undiscounted cash flow analysis.

RIDOH 0742

Other Financial Information

Ernst & Young LLP
Goodwin Square
225 Asylum Street
Hartford, CT 06103-1500
tel +1 860 247 3100
Fax +1 860 725 6040
www.ey.com

Report of Independent Auditors on Other Financial Information

Board of Trustees
Southeastern Healthcare System, Inc. and Affiliates

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The following supplementary consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

March 1, 2010

A member firm of Ernst & Young Global Limited

Southeastern Healthcare System, Inc.

Consolidating Balance Sheets

September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets											
Cash and cash equivalents	$ 588,412	$ 491,194	$ 8,533	$ –	$ 1,088,139	$ 21,323	$ 655,351	$ 27,162	$ 1,791,975	$ –	$ 1,791,975
Assets limited as to use	1,789,391	–	–	–	1,789,391	–	–	–	1,789,391	–	1,789,391
Patient accounts receivable, net	34,705,649	–	42,512	–	34,748,161	2,458	–	–	34,750,619	–	34,750,619
Other accounts receivable	972,639	6,820	27,516	–	1,006,975	51,849	209,367	–	1,268,191	(54,424)	1,213,767
Estimated third party settlements	3,062,696	–	–	–	3,062,696	–	–	–	3,062,696	–	3,062,696
Inventories	752,440	–	6,825	–	759,265	–	–	–	759,265	–	759,265
Prepaid expenses	1,081,771	13,343	11,174	–	1,106,288	–	11,573	–	1,117,861	–	1,117,861
Total current assets	42,952,998	511,357	96,560	–	43,560,95	75,630	876,291	27,162	44,539,998	(54,424)	44,485,574
Assets limited as to use											
By the Board for designated purposes	29,271,022	–	–	(200,000)	29,071,022	512,716	–	–	29,583,738	–	29,583,738
By the Board for designated purposes – Littlefield	1,233,777	–	–	–	1,233,777	–	–	–	1,233,777	–	1,233,777
Pledges receivable	403,319	–	–	–	403,319	–	–	–	403,319	–	403,319
By donors for specific purposes	691,314	–	–	–	691,314	–	–	–	691,314	–	691,314
By donors for permanent endowment	3,124,158	–	–	–	3,124,158	–	–	–	3,124,158	–	3,124,158
By externally administered trusts	6,236,856	–	–	–	6,236,856	–	–	–	6,236,856	–	6,236,856
Deferred compensation trust	2,399,725	–	–	–	2,399,725	–	–	–	2,399,725	–	2,399,725
	43,360,717	–	–	(200,000)	43,160,171	512,716	–	–	43,672,887	–	43,672,887
Less amount required to meet current obligations	(1,789,391)	–	–	–	(1,789,391)	–	–	–	(1,789,391)	–	(1,789,391)
	41,570,780	–	–	(200,000)	41,370,780	512,716	–	–	41,883,496	–	41,883,496
Property and equipment, net	34,324,599	586,063	9,603		34,920,265	–	24,870	–	34,945,135	–	34,945,135
Deferred financing costs, net	260,829	–	–		260,829	–	–	–	260,829	–	260,829
Total assets	$ 119,109,206	$ 1,097,420	$ 106,163	$ (200,000)	$ 120,112,789	$ 588,346	$ 901,161	$ 27,162	$ 121,629,458	$ (54,424)	$ 121,575,034

RIDOH 0745

Southeastern Healthcare System, Inc.

Consolidating Balance Sheets (continued)

September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities											
Accounts payable and accrued expenses	$ 24,042,519	$ 372,582	$ 211,117	$ (200,000)	$ 24,426,218	$ 47,252	$ 132,917	$ –	$ 24,606,387	$ (54,424)	$ 24,551,963
Deferred revenue	–	–	–	–	–	–	115,039	–	115,039	–	115,039
Estimated third party settlements	–	–	–	–	–	–	–	–	–	–	–
Accrued interest payable	174,984	–	–	–	174,984	–	–	–	174,984	–	174,984
Current portion of long-term debt and capital lease obligations	1,582,385	–	–	–	1,582,385	–	–	–	1,582,385	–	1,582,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	30,799,888	372,582	211,117	(200,000)	31,183,587	47,252	247,956	–	31,478,795	(54,424)	31,424,371
Additional minimum pension liability	36,780,563	–	–	–	36,780,563	–	–	–	36,780,563	–	36,780,563
Long-term debt, net of current portion	14,275,868	–	–	–	14,275,868	–	–	–	14,275,868	–	14,275,868
Capital lease obligations	–	–	–	–		–	–	–	–	–	
Estimated self-insurance and other liabilities	1,154,752	–	–	–	1,154,752	–	–	–	1,154,752	–	1,154,752
Other long-term liabilities	2,399,725	–		–	2,399,725	–	–	–	2,399,725	–	2,399,725
Total liabilities	85,410,796	372,582	211,117	(200,000)	85,794,495	47,252	247,956	–	86,089,703	(54,424)	86,035,279
Net assets:											
Unrestricted	23,646,082	724,838	(104,954)	–	24,265,966	541,094	653,205	27,162	25,487,427	–	25,487,427
Temporarily restricted	691,314	–	–	–	691,314	–	–	–	691,314	–	691,314
Permanently restricted	9,361,014	–	–	–	9,361,014	–	–	–	9,361,014	–	9,361,014
Total net assets	33,698,410	724,838	(104,954)	–	34,318,294	541,094	653,205	27,162	35,539,755	–	35,539,755
Total liabilities and net assets	$ 119,109,206	$ 1,097,420	$ 106,163	$ (200,000)	$ 120,112,789	$ 588,346	$ 901,161	$ 27,162	$ 121,629,458	$ (54,424)	$ 121,575,034

RIDOH 0746

Southeastern Healthcare System, Inc.

Consolidating Balance Sheets

September 30, 2008

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Assets											
Current assets											
Cash and cash equivalents	$ 1,791,014	$ 320,255	$ 382	$ –	$ 2,111,651	$ 19,701	$ 547,175	$ 27,154	$ 2,705,681	$ –	$ 2,705,681
Assets limited as to use	2,409,152	–	–	–	2,409,152	-	–	–	2,409,152	–	2,409,152
Patient accounts receivable, net	35,109,474	–	52,169	–	35,161,643	2,458	–	–	35,164,101	–	35,164,101
Other accounts receivable	697,696	19,214	15,339	–	732,250	49,238	144,091	–	925,579	(40,784)	884,795
Estimated third party settlements	2,646,557	–	–	–	2,646,557	–	–	–	2,646,557	–	2,644,557
Inventories	933,778	–	6,825	–	940,603	–	–	–	940,603	–	940,603
Prepaid expenses	720,208	21,386	9,330	–	750,924	–	5,757	–	756,681	–	756,681
Total current assets	44,307,880	360,855	84,045	–	44,752,780	71,397	697,023	27,154	45,548,354	(40 784)	45,507,570
Assets limited as to use:											
By the Board for designated purposes	31,273,038	–	–	–	31,273,038	512,716	–	–	31,785,754	–	31,785,754
By the Board for designated purposes – Littlefield	1,129,203	–	–	–	1,129,203	–	–	–	1,129,203	–	1,129,203
Held by trustee under loan agreement	788,320	–	–	–	788,320	–	–	–	788,320	–	788,320
By donors for specific purposes	757,526	–	–	–	757,526	–	–	–	757,526	–	757,526
By donors for permanent endowment	3,124,158	–	–	–	3,124,158	–	–	–	3,124,158	–	3,124,158
By externally administered trusts	6,314,502	–	–	–	6,314,502	–	–	–	6,314,502	–	6,314,502
Deferred compensation trust	2,376,554	–	–	–	2,376,554	–	–	–	2,376,554	–	2,376,554
	45,763,301	–	–	–	45,763,301	512,716	–	–	46,276,017	–	46,276,017
Less amount required to meet current obligations	(2,409,152)	–	–	–	(2,409,152)	–	–	–	(2,409,152)	–	(2,409,152)
	43,354,149	–	–	–	43,354,149	512,716	–	–	43,866,865	–	43,866,865
Property and equipment, net	36,921,702	648,162	12,457	–	37,582,321	–	39,445	–	37,621,766	–	37,621,766
Deferred financing costs, net	287,581	–	–	–	287,581	–	–	–	287,581	–	287,581
Total assets	$ 124,871,312	$ 1,009,017	$ 96,502	$ –	$ 125,976,831	$ 584,113	$ 736,468	$ 27,154	$ 127,324,566	$ (40,784)	$ 127,283,782

RIDOH 0747

Southeastern Healthcare System, Inc.

Consolidating Balance Sheets (continued)

September 30, 2008

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Liabilities and net assets											
Current liabilities											
Accounts payable and accrued expenses	$ 25,500,706	$ 146,846	$ 73,776	$ –	$ 25,721,328	$ 44,671	$ 104,714	$ –	$ 25,870,713	$ (40,784)	$ 25,829,929
Deferred revenue	–	–	–	–	–	–	67,495	–	67,495	–	67,495
Estimated third party settlements	–	–	–	–	–	–	–	–	–	–	–
Accrued interest payable	187,659	–	–	–	187,659	–	–	–	187,659	–	187,659
Current portion of long-term debt and capital lease obligations	1,582,385	–	–	–	1,582,385	–	–	–	1,582,385	–	1,582,385
Line of credit	5,000,000	–	–	–	5,000,000	–	–	–	5,000,000	–	5,000,000
Total current liabilities	32,270,750	146,846	73,776	–	32,491,372	44,671	172,209	–	32,708,252	(40,784)	32,667,468
Additional minimum pension liability	13,216,621	–	–	–	13,216,621	–	–	–	13,216,621	–	13,216,621
Long-term debt, net of current portion	15,858,253	–	–	–	15,858,253	–	–	–	15,858,253	–	15,858,253
Capital lease obligations	–	–	–	–	–	–	–	–	–	–	–
Estimated self-insurance and other liabilities	934,265	–	–	–	934,265	–	–	–	934,265	–	934,265
Other long-term liabilities	2,376,554	–	–	–	2,376,554	–	–	–	2,376,554	–	2,376,554
Total liabilities	64,656,443	146,846	73,776	–	64,877,065	44,671	172,209	–	65,093,945	(40,784)	65,053,161
Net assets:											
Unrestricted	50,018,683	862,171	22,726	–	50,903,580	539,442	564,259	27,154	52,034,435	–	52,034,435
Temporarily restricted	757,526	–	–	–	757,256	–	–	–	757,526	–	757,526
Permanently restricted	9,438,660	–	–	–	9,438,660	–	–	–	9,438,660	–	9,438,660
Total net assets	60,214,869	862,171	22,726	–	61,099,766	539,442	564,259	27,154	62,230,621	–	62,230,621
Total liabilities and net assets	$ 124,871,312	$ 1,009,017	$ 96,502	$ –	$ 125,976,831	$ 584,113	$ 736,468	$ 27,154	$ 127,324,566	$ (40,784)	$ 127,283,782

RIDOH 0748

Southeastern Healthcare System, Inc

Consolidating Statements of Operations and Changes in Net Assets

Year Ended September 30 2009

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Unrestricted revenue, gains and other support														
Net patient service revenue	$ 150 788,168	$ 6 611 666	$ 10.359 442	$ 167 759,276	$ –	$ 846,124	$ –	$ 168.605,400	$ –	$ –	$ –	$ 168.605,400	$ –	$ 168.605 400
Other revenue	6 069,366	–	–	6,069,366	780.811	96.470	(268,286)	6.678,361	72.505	1,257,709	60,008	8,068,583	(250,399)	7,818.184
Assets released from restrictions for operations	60,434	–	–	60,434	–	–	–	60.434	–	–	–	60,434	–	60 434
Total revenue gains and other support	156.917 968	6,611.666	10 359.442	173 889.076	780.811	942.594	(268,286)	175.344.195	72.505	1.257.709	60.008	176.734.417	(250 399)	176.484.018
Expenses														
Salaries and wages	71,080,045	4,819.219	7,264,060	83,163,324	–	669.085	120,290	83,952,699	62,000	376.674	–	84,391,373	–	84,391,373
Employee benefits	24,731,991	1,590 342	730.744	27.053,077	–	233,053	–	27.286,130	5.029	142 873	–	27.434.032	–	27.434,032
Supplies purchased services and other	40.162.863	172.673	2.875,296	43.210.832	817.319	356.134	(588.576)	43 795.709	3.824	634 132	60,000	44 493,665	(250.399)	44.243.266
Provision for bad debts	12,654,073	–	–	12,654,073	–	34,148	–	12,688,221	–	–	–	12,688,221	–	12,688,221
Depreciation and amortization	4,183,525	–	–	4.183,525	100.825	2.854	–	4.287.204	–	15.084	–	4.302,288	–	4.302.288
Licensing fee	7,303,539	–	–	7,303 539	–	–	–	7,303,539	–	–	–	7,303,539	–	7,303.539
Interest	1.219 502	–	–	1,219,502	–	–	–	1,219,502	–	–	–	1,219,502	–	1,219,502
Total expenses	161,335,538	6,582.234	10.870,100	178,787,872	918,144	1,295,274	(468,286)	180,533,004	70,853	1,168,763	60,000	181,832,620	(250,399)	181,582,221
(Loss) gain from operations	(4,417,570)	29,432	(510,658)	(4,898,796)	(137,333)	(352,680)	200,000	(5,188,809)	1.652	88,946	8	(5,098,203)	–	(5,098,203)
Other income, gains and losses														
Investment income	521,158	–	–	521 158	–	–	(200 000)	321.158	–	–	–	321 158	–	321 158
Net realized gains on sales of investments	(3.115,944)	–	–	(3 115,944)	–	–	–	(3,115,944)	–	–	–	(3,115,944)	–	(3,115,944)
Unrestricted donations	368,144	–	–	368,144	–	–	–	368,144	–	–	–	368,144	–	368,144
Income on assets held in trust	245 442	–	–	245.442	–	–	–	245 442	–	–	–	245,442	–	245 442
Write-off of investment	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total nonoperating gains	(1.981,200)	–	–	(1,981,200)	–	–	(200 000)	(2,181,200)	–	–	–	(2,181,200)	–	(2,181,200)
Excess of revenues over expenses before change in appreciation of investments	(6.879.996)	–	–	(6 879.996)	(137.333)	(352,680)	–	(7.370,009)	1.652	88,946	8	(7.279 403)	–	(7.279.403)
Change in appreciation of investments	3,314,461	–	–	3,314.461	–	–	–	3.314,461	–	–	–	3,314,461	–	3.314,461
Excess of revenues over expenses	$ (3.565,535)	$ –	$ –	(3 565,535)	(137,333)	(352,680)	–	(4.055,548)	1,652	88.946	8	(3,964,942)	-	(3,964,942)

RIDOH 0749

Southeastern Healthcare System, Inc.

Consolidating Statements of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2009

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets											
Excess (deficiency) of revenues over expenses	(3,565,535)	62,667	(352,680)	(200,000)	(4,055,548)	1,652	88,946	8	(3,964,942)	–	(3,964,942)
Change in pension liability	(21,789,804)	–	–	–	(21,789,804)	–	–	–	(21,789,804)	–	(21,789,804)
Effect of a change in measurement date for pension liability	(882,733)	–	–	–	(882,733)	–	–	–	(882,733)	–	(882,733)
Intercompany transfer	(225,000)	(200,000)	225,000	200,000	–	–	–	–	–	–	–
Contributions for capital expenditures	33,253	–	–	–	33,253	–	–	–	33,253	–	33,253
Net assets released from restrictions	(37,907)	–	–	–	(37,907)	–	–	–	(37,907)	–	(37,907)
Net assets released from restrictions used for purchase of property, plant and equipment	95,125	–	–	–	95,125	–	–	–	95,125	–	95,125
Decrease in unrestricted net assets	(26,372,601)	(137,333)	(127,680)	–	(26,637,614)	1,652	88,946	8	(26,557,008)	–	(26,557,008)
Change in temporarily restricted net assets											
Contributions	87,147	–	–	–	87,147	–	–	–	87,147	–	87,147
Investment income	(35,707)	–	–	–	(35,707)	–	–	–	(35,707)	–	(35,707)
Net assets released from restrictions	(117,652)	–	–	–	(117,652)	–	–	–	(117,652)	–	(117,652)
Decrease in temporarily restricted net assets	(66,212)	–	–	–	(66,212)	–	–	–	(66,212)	–	(66,212)
Change in permanently restricted net assets											
Restricted donations	–	–	–	–	–	–	–	–	–	–	–
Investment income	–	–	–	–	–	–	–	–	–	–	–
Net appreciation on assets held in externally administered trusts	(77,646)	–	–	–	(77,646)	–	–	–	(77,646)	–	(77,646)
Decrease in permanently restricted net assets	(77,646)	–	–	–	(77,646)	–	–	–	(77,646)	–	(77,646)
Decrease in net assets	(26,516,459)	(137,333)	(127,680)	–	(26,781,472)	1,652	88,946	8	(26,690,866)	–	(26,690,866)
Net assets, beginning of year	60,214,869	862,171	22,726	–	61,099,766	539,442	564,259	27,154	62,230,62	–	62,230,621
Net assets, end of year	$ 33,698,410	$ 724,838	$ (104,954)	$ –	$ 34,318,294	$ 541,094	$ 653,205	$ 27,162	$ 35,539,755	$ –	$ 35,539,755

RIDOH 0750

Southeastern Healthcare System, Inc

Consolidating Statements of Operations and Changes in Net Assets

Year Ended September 30, 2008

	Memorial Hospital of Rhode Island	Home Care	Physicians	Subtotal Memorial Hospital	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Unrestricted revenue, gains and other support														
Net patient service revenue	$ 146,809,770	$ 6,451,734	$ 10,273,524	$ 163,535,028	$ –	$ 1,956,196	$ –	$ 165,491,224	$ –	$ –	$ –	$ 165,491,224	$ –	$ 165,491,224
Other revenue	6,910,922			6,910,922	761,291	85,694	(302,187)	7,455,720	72,512	1,186,202	60,016	8,774,450	(250,399)	8,524,051
Assets released from restrictions for operations	202,724			202,724	–	–	–	202,724	–	–	–	202,724	–	202,724
Total revenue, gains and other support	153,923,416	6,451,734	10,273,524	170,648,674	761,291	2,041,890	(302,187)	173,149,668	72,512	1,186,202	60,016	174,468,398	(250,399)	174,217,999
Expenses														
Salaries and wages	73,476,266	4,401,203	7,653,036	85,530,505	–	894,621	102,925	86,528,051	62,000	364,028	–	86,954,079	–	86,954,079
Employee benefits	22,943,799	1,452,397	752,746	25,148,942	–	236,115	–	25,385,057	13,647	129,528	–	25,528,232	–	25,528,232
Supplies, purchased services and other	41,946,573	429,843	2,969,533	45,345,949	592,518	466,305	(405,112)	45,999,660	4,563	615,293	60,000	46,679,516	(250,399)	46,429,117
Provision for bad debts	11,730,714			11,730,714	–	666,494	–	12,397,208	–	–	–	12,397,208	–	12,397,208
Depreciation and amortization	4,295,785			4,295,785	104,288	2,976	–	4,403,049	–	22,024	–	4,425,073	–	4,425,073
Licensing fee	4,567,793			4,567,793	–	–	–	4,567,793	–	-	–	4,567,793	–	4,567,793
Interest	1,256,611			1,256,611	–	–	–	1,256,611	–	–	–	1,256,611	–	1,256,611
Total expenses	160,217,541	6,283,443	11,375,315	177,876,299	696,806	2,266,511	(302,187)	180,537,429	80,210	1,130,873	60,000	181,808,512	(250,399)	181,558,113
(Loss) gain from operations	(6,294,125)	168,291	(1,101,791)	(7,227,625)	64,485	(224,621)	–	(7,387,761)	(7,698)	55,329	16	(7,340,114)	–	(7,340,114)
Other income, gains and losses														
Investment income				800,262	–	–	–	800,262	–	–	–	800,262	–	800,262
Net realized gains on sales of investments				2,536,900	–	–	–	2,536,900	–	–	–	2,536,900	–	2,536,900
Unrestricted donations				761,039	–	–	–	761,039	–	–	–	761,039	–	761,039
Income on assets held in trust				256,679	–	–	–	256,679	–	–	–	256,679	–	256,679
Write-off of investment				–	–	–	–	–	–	–	–	–	–	
Total nonoperating gains				4,354,880	–	–	–	4,354,880	–	–	–	4,354,880	–	4,354,880
Excess of revenues over expenses before change in appreciation of investments				(2,872,745)	64,485	(224,621)	–	(3,032,881)	(7,698)	55,329	16	(2,985,234)	–	(2,985,234)
Change in appreciation of investments				(10,382,330)	–	–	–	(10,382,330)	–	–	–	(10,382,330)	–	(10,382,330)
Excess of revenues over expenses	$	$	$	(13,255,075)	64,485	(224,621)	–	(13,415,211)	(7,698)	55,329	16	(13,367,564)	–	(13,367,564)

RIDOH 0751

Southeastern Healthcare System, Inc.

Consolidating Statements of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2008

	Memorial Hospital of Rhode Island	R.S. Realty Company	SHS Ventures, Inc.	Consolidating Entries	Total Memorial Hospital of Rhode Island and Subsidiaries	Primary Care Centers of New England, Inc.	Blackstone Health, Inc.	Southeastern Healthcare System, Inc.	Total	Consolidating Entries	Total Southeastern Healthcare System, Inc.
Change in unrestricted net assets:											
Excess (deficiency) of revenues over expenses	(13,255,075)	64,485	(224,621)	–	(13,415,211)	(7,698)	55,329	16	(13,367,564)	–	(13,367,564)
Additional minimum pension liability	(1,772,482)	–	–	–	(1,772,482)	–	–	–	(1,772,482)	–	(1,772,482)
Cumulative effect of a change in accounting principle	–	–	–	–	–	–	–	–	–	–	–
Intercompany transfer	(120,000)	–	120,000	–	–	–	–	–	–	–	–
Contributions for capital expenditures	13,000	–	–	–	13,000	–	–	–	13,000	–	13,000
Net assets released from restrictions	–	–	–	–	–	–	–	–	–	–	–
Net assets released from restrictions used for purchase of property, plant and equipment	1,783,180	–	–	–	1,783,180	–	–	–	1,783,180	–	1,783,180
Increase in unrestricted net assets	(13,351,377)	64,485	(104,621)		(13,391,513)	(7,698)	55,329	16	(13,343,866)	–	(13,343,866)
Change in temporarily restricted net assets											
Contributions	484,594	–	–	–	485,594	–	–	–	485,594	–	484,594
Investment income	871,944	–	–	–	871,944	–	–	–	871,944	–	871,944
Net assets released from restrictions	(1,985,904)	–	–	–	(1,985,904)	–	–	–	(1,985,904)	–	(1,985,904)
Increase in temporarily restricted net assets	(629,366)	–	–	–	(629,366)	–	–	–	(629,366)	–	(629,366)
Change in permanently restricted net assets											
Restricted donations	69	–	–	–	69	–	–	–	69	–	69
Investment income	–	–	–	–	–	–	–	–	–	–	–
Net appreciation on assets held in externally administered trusts	(1,009,236)	–	–	–	(1,009,236)	–	–	–	(1,009,236)	–	(1,009,236)
Increase in permanently restricted net assets	(1,009,167)	–	–	–	(1,009,167)	–	–	–	(1,009,167)	–	(1,009,167)
Increase in net assets	(14,989,910)	64,485	(104,621)	–	(15,030,046)	(7,698)	55,329	16	(14,982,399)	–	(14,982,399)
Net assets, beginning of year	75,204,779	797,686	127,347	–	76,129,812	547,140	508,930	27,138	77,213,020	–	77,213,020
Net assets, end of year	$ 60,214,869	$ 862,171	$ 23,726	$ –	$ 61,099,766	$ 539,442	$ 564,259	$ 27,154	$ 62,230,621	$ –	$ 62,230,621

RIDOH 0752

[THIS PAGE INTENTIONALLY BLANK]

Care New England Health System

Consolidated Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	60,789,683	62,834,427	26,313,749	-2,044,744	-3.25%	34,475,934	131.02%
Investments	25,951,365	25,919,112	25,463,485	32,253	0.12%	487,880	1.92%
Receivables							
Patient	135,808,165	131,918,853	130,173,580	3,889,312	2.95%	5,634,585	4.33%
Other	25,127,688	21,659,231	26,619,647	3,468,457	16.01%	-1,491,959	-5.60%
	160,935,853	153,578,084	156,793,227	7,357,769	4.79%	4,142,626	2.64%
Less estimated uncollectibles	35,620,980	35,233,907	33,880,632	387,073	1.10%	1,740,348	5.14%
Net receivables	125,314,873	118,344,177	122,912,595	6,970,696	5.89%	2,402,278	1.95%
Assets limited as to use	2,948,588	2,519,851	4,323,103	428,737	17.01%	-1,374,515	-31.79%
Inventories	4,982,244	4,860,022	4,018,167	122,222	2 51%	964,077	23.99%
Prepaid expenses	7,395,856	6,539,505	6,850,575	856,351	13.10%	545,281	7.96%
Notes Receivable, net	33,040	32,793	31,586	247	0.75%	1,454	4.60%
Pledges, net	1,556,751	1,877,826	1,418,382	-321,075	-17.10%	138,369	9.76%
Total current assets	228,972,400	222,927,713	191,331,642	6,044,687	2.71%	37,640,759	19.67%
Assets limited as to use							
Board designated	93,760,361	91,001,215	84,251,972	2,759,146	3.03%	9,508,389	11.29%
Self insurance trust funds	151,630,829	147,754,305	138,972,342	3,876,524	2.62%	12,658,487	9.11%
Deferred compensation fund	4,129,516	4,208,411	4,108,348	-78,895	-1.87%	21,168	0.52%
Trustee held funds	20,649,616	22,453,515	24,425,338	-1,803,899	-8.03%	-3,775,722	-15.46%
Total assets limited as to use	270,170,322	265,417,446	251,758,000	4,752,876	1.79%	18,412,322	7.31%
Less amount required to meet current obli	2,948,588	2,519,851	4,323,103	428,737	17 01%	-1,374,515	-31.79%
Noncurrent assets limited as to use	267,221,734	262,897,595	247,434,897	4,324,139	1.64%	19,786,837	8.00%
Property, plant and equipment, net	248,706,985	249,787,289	248,604,698	-1,080,304	-0.43%	102,287	0.04%
Other Assets:							
Endowment funds	39,782,887	39,510,908	35,596,516	271,979	0.69%	4,186,371	11.76%
Investments	4,175,157	4,175,157	6,591,690	0	0.00%	-2,416,533	-36.66%
Deferred financing costs, net	753,209	764,597	755,163	-11,388	-1.49%	-1,954	-0.26%
Notes and advances receivable, net	28,693	36,970	61,714	-8,277	-22.39%	-33,021	-53.51%
Pledges receivable, net	2,676,242	2,654,887	2,580,048	21,355	0.80%	96,194	3 73%
Prepaid expenses and other	1,021,493	1,053,585	1,138,903	-32,092	-3.05%	-117,410	-10.31%
Total other assets	48,437,681	48,196,104	46,724,034	241,577	0.50%	1,713,647	3.67%
Total assets	793,338,800	783,808,701	734,095,271	9,530,099	1.22%	59,243,529	8.07%

RIDOH 0754

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	16,019,059	12,138,551	8,037,797	3,880,508	31.97%	7,981,262	99.30%
Current installments of long-term debt	6,446,218	6,393,013	5,676,157	53,205	0.83%	770,061	13.57%
Accounts payable and accrued expenses	92,073,819	91,880,970	85,809,388	192,849	0.21%	6,264,431	7.30%
Deferred revenue	11,098,880	9,682,603	11,856,150	1,416,277	14.63%	-757,270	-6.39%
Estimated third party payor settlements	13,269,872	10,809,417	14,293,545	2,460,455	22.76%	-1,023,673	-7.16%
Deferred compensation	0	0	330,345	0	#N/A	-330,345	-100 00%
Total current liabilities	138,907,848	130,904,554	126,003,382	8,003,294	6.11%	12,904,466	10 24%
Estimated third party payor settlements	24,531,529	25,531,529	20,567,405	-1,000,000	-3 92%	3,964,124	19.27%
Net pension liability	56,657,785	57,191,703	57,329,330	-533,918	-0.93%	-671,545	-1.17%
Net post retirement liability	1,788,923	1,788,923	1,973,659	0	0.00%	-184,736	-9.36%
Asset retirement obligation	1,728,333	1,680,800	1,697,524	47,533	2.83%	30,809	1.81%
Self-insurance reserves	130,249,351	125,931,253	114,316,945	4,318,098	3.43%	15,932,406	13.94%
Interest rate swaps	13,356,799	13,629,389	12,670,450	-272,590	-2.00%	686,349	5.42%
Long-term debt, net of current portion	107,806,435	108,377,894	104,228,090	-571,459	-0.53%	3,578,345	3.43%
Deferred compensation	5,641,415	6,199,797	4,302,481	-558,382	-9.01%	1,338,934	31.12%
Total liabilities	480,668,418	471,235,842	443,089,266	9,432,576	2.00%	37,579,152	8.48%
Net assets:							
Unrestricted	258,299,765	259,188,721	246,601,013	-888,956	-0.34%	11,698,752	4.74%
Temporarily restricted	34,947,911	34,041,338	26,139,020	906,573	2.66%	8,808,891	33.70%
Permanently restricted	19,422,706	19,342,800	18,265,972	79,906	0.41%	1,156,734	6.33%
Total net assets	312,670,382	312,572,859	291,006,005	97,523	0.03%	21,664,377	7.44%
Total liabilities and net assets	793,338,800	783,808,701	734,095,271	9,530,099	1.22%	59,243,529	8.07%

RIDOH 0755

Butler Hospital
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	20,319,833	14,055,663	18,108,101	6,264,170	44.57%	2,211,732	12.21%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	7,557,592	7,098,474	7,302,274	459,118	6.47%	255,318	3.50%
Other	2,924,259	4,590,032	2,899,885	-1,665,773	-36.29%	24,374	0.84%
	10,481,851	11,688,506	10,202,159	-1,206,655	-10.32%	279,692	2.74%
Less estimated uncollectibles	1,184,592	1,351,601	1,060,142	-167,009	-12.36%	124,450	11.74%
Net receivables	9,297,259	10,336,905	9,142,017	-1,039,646	-10.06%	155,242	1.70%
Assets limited as to use	482,373	444,954	286,621	37,419	8.41%	195,752	68.30%
Inventories	281,082	281,082	262,561	0	0.00%	18,521	7.05%
Prepaid expenses	479,612	592,509	240,716	-112,897	-19.05%	238,896	99.24%
Notes Receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges, net	176,270	219,471	197,897	-43,201	-19.68%	-21,627	-10.93%
Due from Affiliates	3,053,887	4,368,186	2,936,375	-1,314,299	-30.09%	117,512	4.00%
Total current assets	34,090,316	30,298,770	31,174,288	3,791,546	12.51%	2,916,028	9.35%
Assets limited as to use							
Board designated	4,523,195	4,555,654	4,117,132	-32,459	-0.71%	406,063	9.86%
Self insurance trust funds	2,361,222	2,368,094	2,202,513	-6,872	-0.29%	158,709	7.21%
Deferred compensation fund	1,889,560	1,890,320	1,828,334	-760	-0.04%	61,226	3.35%
Trustee held funds	6,788,232	8,074,417	9,936,995	-1,286,185	-15.93%	-3,148,763	-31.69%
Total assets limited as to use	15,562,209	16,888,485	18,084,974	-1,326,276	-7.85%	-2,522,765	-13.95%
Less amount required to meet current obli	482,373	444,954	286,621	37,419	8.41%	195,752	68.30%
Noncurrent assets limited as to use	15,079,836	16,443,531	17,798,353	-1,363,695	-8.29%	-2,718,517	-15.27%
Property, plant and equipment, net	23,714,020	22,954,549	21,553,874	759,471	3.31%	2,160,146	10.02%
Other Assets:							
Endowment funds	15,625,455	15,592,995	13,960,829	32,460	0.21%	1,664,626	11.92%
Investments	517,028	517,028	816,697	0	0.00%	-299,669	-36.69%
Deferred financing costs, net	70,243	71,191	74,035	-948	-1.33%	-3,792	-5.12%
Pledges receivable, net	222,250	200,895	330,363	21,355	10.63%	-108,113	-32.73%
Total other assets	16,434,976	16,382,109	15,181,924	52,867	0.32%	1,253,052	8.25%
Total assets	89,319,148	86,078,959	85,708,439	3,240,189	3.76%	3,610,709	4.21%

RIDOH 0756

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	2,015,111	1,519,114	1,655,616	495,997	32.65%	359,495	21.71%
Current installments of long-term debt	832,997	805,528	757,375	27,469	3.41%	75,622	9.98%
Accounts payable and accrued expenses	11,107,566	9,661,008	9,471,126	1,446,558	14.97%	1,636,440	17.28%
Deferred revenue	1,140,937	1,439,100	1,238,086	-298,163	-20.72%	-97,149	-7.85%
Estimated third party payor settlements	229,542	212,908	767,967	16,634	7.81%	-538,425	-70.11%
Due to Affiliates	1,716,000	1,518,769	2,683,571	197,231	12.99%	-967,571	-36.06%
Deferred compensation	0	0	238,378	0	#N/A	-238,378	-100.00%
Total current liabilities	17,042,153	15,156,427	16,812,119	1,885,726	12.44%	230,034	1.37%
Estimated third party payor settlements	2,384,292	2,384,292	2,007,520	0	0.00%	376,772	18.77%
Net pension liability	14,959,007	14,662,611	9,194,174	296,396	2.02%	5,764,833	62.70%
Asset Retirement obligation	741,165	733,509	710,776	7,656	1.04%	30,389	4.28%
Self-insurance reserves	2,348,392	2,248,423	1,937,371	99,969	4.45%	411,021	21.22%
Due to CNE, LTD, net of current	14,698,778	14,698,778	15,086,636	0	0 00%	-387,858	-2.57%
Long-term debt, net of current portion	3,559,884	3,612,016	3,763,693	-52,132	-1.44%	-203,809	-5.42%
Deferred compensation	1,951,862	2,255,068	1,563,046	-303,206	-13.45%	388,816	24.88%
Total liabilities	57,685,533	55,751,124	51,075,335	1,934,409	3.47%	6,610,198	12.94%
Net assets:							
Unrestricted	13,043,668	11,946,775	17,629,938	1,096,893	9.18%	-4,586,270	-26.01%
Temporarily restricted	16,166,751	15,958,566	14,573,211	208,185	1 30%	1,593,540	10.93%
Permanently restricted	2,423,196	2,422,494	2,429,955	702	0.03%	-6,759	-0.28%
Total net assets	31,633,615	30,327,835	34,633,104	1,305,780	4.31%	-2,999,489	-8.66%
Total liabilities and net assets	89,319,148	86,078,959	85,708,439	3,240,189	3.76%	3,610,709	4.21%
	0	0	0				

RIDOH 0757

Kent Hospital
Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	6,091,394	-9,212,629	2,544,510	15,304,023	166.12%	3,546,884	139 39%
Receivables							
Patient	64,354,593	65,013,709	58,482,905	-659,116	-1.01%	5,871,688	10.04%
Other	8,611,983	5,350,650	7,562,832	3,261,333	60.95%	1,049,151	13.87%
	72,966,576	70,364,359	66,045,737	2,602,217	3.70%	6,920,839	10.48%
Less estimated uncollectibles	22,912,411	22,362,370	19,293,358	550,041	2.46%	3,619,053	18.76%
Net receivables	50,054,165	48,001,989	46,752,379	2,052,176	4.28%	3,301,786	7.06%
Assets limited as to use	625,190	483,131	1,246,437	142,059	29.40%	-621,247	-49.84%
Inventories	3,846,729	3,892,834	3,271,772	-46,105	-1.18%	574,957	17.57%
Prepaid expenses	1,167,114	1,104,844	1,105,952	62,270	5.64%	61,162	5.53%
Pledges, net	405,553	683,427	297,202	-277,874	-40.66%	108,351	36.46%
Due from Affiliates	1,367,284	9,131,910	1,495,051	-7,764,626	-85.03%	-127,767	-8.55%
Total current assets	63,557,429	54,085,506	56,713,303	9,471,923	17.51%	6,844,126	12.07%
Assets limited as to use							
Board designated	25,995,172	24,597,196	22,666,552	1,397,976	5.68%	3,328,620	14.69%
Self insurance trust funds	22,840,467	22,462,621	20,284,870	377,846	1.68%	2,555,597	12.60%
Deferred compensation fund	743,335	777,097	790,186	-33,762	-4.34%	-46,851	-5.93%
Trustee held funds	8,322,516	9,192,776	12,292,135	-870,260	-9.47%	-3,969,619	-32.29%
Total assets limited as to use	57,901,490	57,029,690	56,033,743	871,800	1.53%	1,867,747	3.33%
Less amount required to meet current obli	625,190	483,131	1,246,437	142,059	29.40%	-621,247	-49.84%
Noncurrent assets limited as to use	57,276,300	56,546,559	54,787,306	729,741	1.29%	2,488,994	4.54%
Property, plant and equipment, net	68,945,408	68,275,829	67,138,001	669,579	0.98%	1,807,407	2.69%
Other Assets:							
Endowment funds	15,570,951	15,491,747	13,907,631	79,204	0.51%	1,663,320	11.96%
Deferred financing costs, net	157,482	160,710	170,393	-3,228	-2.01%	-12,911	-7.58%
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	1,953,082	1,953,082	1,450,823	0	0.00%	502,259	34.62%
Prepaid expenses and other	966,493	998,585	1,083,903	-32,092	-3.21%	-117,410	-10.83%
Total other assets	18,648,008	18,604,124	16,612,750	43,884	0.24%	2,035,258	12.25%
Total assets	208,427,145	197,512,018	195,251,360	10,915,127	5 53%	13,175,785	6.75%

RIDOH 0758

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	7,376,859	5,532,644	5,707,150	1,844,215	33.33%	1,669,709	29.26%
Current installments of long-term debt	2,763,905	2,738,587	2,378,080	25,318	0.92%	385,825	16.22%
Accounts payable and accrued expenses	26,248,982	29,013,780	27,251,290	-2,764,798	-9.53%	-1,002,308	-3.68%
Deferred revenue	4,599,683	1,629,985	3,864,499	2,969,698	182.19%	735,184	19.02%
Estimated third party payor settlements	4,914,871	4,107,581	2,925,478	807,290	19.65%	1,989,393	68.00%
Due to Affiliates	5,411,533	5,216,000	13,697,311	195,533	3.75%	-8,285,778	-60.49%
Deferred compensation	0	0	91,967	0	#N/A	-91,967	-100.00%
Total current liabilities	51,315,833	48,238,577	55,915,775	3,077,256	6.38%	-4,599,942	-8.23%
Estimated third party payor settlements	4,544,295	5,544,295	5,063,286	-1,000,000	-18.04%	-518,991	-10.25%
Net pension liability	23,359,417	23,606,286	28,011,017	-246,869	-1.05%	-4,651,600	-16.61%
Net post retirement liability	1,788,923	1,788,923	1,973,659	0	0.00%	-184,736	-9 36%
Asset Retirement obligation	987,168	947,291	986,748	39,877	4.21%	420	0.04%
Self-insurance reserves	26,400,917	26,584,860	20,685,804	-183,943	-0.69%	5,715,113	27.63%
Due to CNE, LTD, net of current	27,122,121	27,347,965	26,251,716	-225,844	-0.83%	870,405	3.32%
Long-term debt, net of current portion	953,577	1,416,934	2,440,315	-463,357	-32.70%	-1,486,738	-60.92%
Deferred compensation	904,734	937,468	619,355	-32,734	-3.49%	285,379	46.08%
Total liabilities	137,376,985	136,412,599	141,947,675	964,386	0.71%	-4,570,690	-3.22%
Net assets:							
Unrestricted	48,932,606	39,816,679	35,043,615	9,115,927	22.89%	13,888,991	39.63%
Temporarily restricted	9,317,536	8,561,926	6,609,396	755,610	8.83%	2,708,140	40.97%
Permanently restricted	12,800,018	12,720,814	11,650,674	79,204	0.62%	1,149,344	9.87%
Total net assets	71,050,160	61,099,419	53,303,685	9,950,741	16.29%	17,746,475	33.29%
Total liabilities and net assets	208,427,145	197,512,018	195,251,360	10,915,127	5.53%	13,175,785	6.75%
	0	0	0				

RIDOH 0759

Women and Infants Corporation
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	69,834,713	65,049,075	46,319,384	4,785,638	7.36%	23,515,329	50.77%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	61,654,397	57,406,711	62,156,338	4,247,686	7.40%	-501,941	-0.81%
Other	13,373,484	11,514,027	15,986,817	1,859,457	16.15%	-2,613,333	-16.35%
	75,027,881	68,920,738	78,143,155	6,107,143	8.86%	-3,115,274	-3.99%
Less estimated uncollectibles	11,174,874	11,187,392	13,133,833	-12,518	-0.11%	-1,958,959	-14.92%
Net receivables	63,853,007	57,733,346	65,009,322	6,119,661	10.60%	-1,156,315	-1.78%
Assets limited as to use	428,334	179,075	2,750,120	249,259	139.19%	-2,321,786	-84.42%
Inventories	854,433	686,106	483,834	168,327	24.53%	370,599	76.60%
Prepaid expenses	1,870,212	2,140,185	2,673,119	-269,973	-12.61%	-802,907	-30.04%
Notes Receivable, net	33,040	32,793	31,586	247	0.75%	1,454	4.60%
Pledges, net	974,928	974,928	923,283	0	0.00%	51,645	5.59%
Due from Affiliates	1,540,637	5,057,996	301,893	-3,517,359	-69.54%	1,238,744	410.33%
Total current assets	139,389,304	131,853,504	118,492,541	7,535,800	5.72%	20,896,763	17.64%
Assets limited as to use							
Board designated	62,595,082	61,212,571	56,891,020	1,382,511	2.26%	5,704,062	10.03%
Self insurance trust funds	121,199,781	119,729,781	111,003,892	1,470,000	1.23%	10,195,889	9 19%
Deferred compensation fund	1,113,877	1,157,335	1,114,976	-43,458	-3.76%	-1,099	-0.10%
Depreciation funding trust	0	0	0	0	#N/A	0	#N/A
Trustee held funds	428,334	108,269	2,156,283	320,065	295.62%	-1,727,949	-80.14%
Total assets limited as to use	185,337,074	182,207,956	171,166,171	3,129,118	1.72%	14,170,903	8.28%
Less amount required to meet current obli	428,334	179,075	2,750,120	249,259	139.19%	-2,321,786	-84.42%
Noncurrent assets limited as to use	184,908,740	182,028,881	168,416,051	2,879,859	1.58%	16,492,689	9.79%
Property, plant and equipment, net	151,928,519	154,162,702	155,743,232	-2,234,183	-1.45%	-3,814,713	-2.45%
Other Assets:							
Endowment funds	8,586,481	8,426,166	7,728,056	160,315	1.90%	858,425	11.11%
Investments	2,068,112	2,068,112	3,263,296	0	0.00%	-1,195,184	-36.63%
Deferred financing costs, net	236,804	239,378	249,818	-2,574	-1.08%	-13,014	-5.21%
Notes and advances receivable, net	28,693	36,970	61,714	-8,277	-22.39%	-33,021	-53.51%
Pledges receivable, net	500,910	500,910	798,862	0	0.00%	-297,952	-37.30%
Total other assets	11,421,000	11,271,536	12,101,746	149,464	1.33%	-680,746	-5.63%
Total assets	487,647,563	479,316,623	454,753,570	8,330,940	1.74%	32,893,993	7.23%

RIDOH 0760

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	3,755,317	2,816,488	3,085,528	938,829	33.33%	669,789	21.71%
Current installments of long-term debt	1,866,107	1,866,107	2,604,670	0	0.00%	-738,563	-28.36%
Accounts payable and accrued expenses	40,329,483	37,590,276	37,796,298	2,739,207	7.29%	2,533,185	6.70%
Deferred revenue	3,861,315	4,759,226	4,276,522	-897,911	-18.87%	-415,207	-9.71%
Estimated third party payor settlements	7,881,657	6,245,126	10,356,298	1,636,531	26.20%	-2,474,641	-23.90%
Due to Affiliates	2,952,353	12,346,272	11,105,094	-9,393,919	-76.09%	-8,152,741	-73.41%
Total current liabilities	60,646,232	65,623,495	69,224,410	-4,977,263	-7.58%	-8,578,178	-12.39%
Estimated third party payor settlements	17,602,942	17,602,942	13,496,599	0	0.00%	4,106,343	30.43%
Net pension liability	10,825,710	10,958,431	13,585,649	-132,721	-1 21%	-2,759,939	-20.32%
Self-insurance reserves	86,971,184	83,300,596	78,507,405	3,670,588	4.41%	8,463,779	10.78%
Due to CNE, LTD, net of current	50,481,270	50,481,271	50,560,297	-1	0.00%	-79,027	-0.16%
Long-term debt, net of current portion	2,171,876	2,218,750	2,359,376	-46,874	-2.11%	-187,500	-7.95%
Deferred compensation	1,321,827	1,434,824	1,624,854	-112,997	-7.88%	-303,027	-18.65%
Total liabilities	230,021,041	231,620,309	229,358,590	-1,599,268	-0.69%	662,451	0.29%
Net assets:							
Unrestricted	243,963,406	233,975,976	216,253,224	9,987,430	4.27%	27,710,182	12.81%
Temporarily restricted	9,463,624	9,520,846	4,956,413	-57,222	-0.60%	4,507,211	90.94%
Permanently restricted	4,199,492	4,199,492	4,185,343	-1,578,110	-0 91%	14,149	0.34%
Total net assets	257,626,522	247,696,314	225,394,980	-1,578,110	-0.91%	32,231,542	14.30%
Total liabilities and net assets	487,647,563	479,316,623	454,753,570	-1,578,110	-0.91%	32,893,993	7.23%
	0	0	0				

RIDOH 0761

Care New England - Corporate
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	-30,849,398	-1,893,792	-36,077,171	-28,955,606	-1528.97%	5,227,773	14.49%
Investments	25,951,365	25,919,112	25,463,485	32,253	0.12%	487,880	1.92%
Receivables							
Patient	0	0	0	0	#N/A	0	#N/A
Other	34,672	164,484	12,503	-129,812	-78.92%	22,169	177.31%
	34,672	164,484	12,503	-129,812	-78.92%	22,169	177.31%
Less estimated uncollectibles	0	0	0	0	#N/A	0	#N/A
Net receivables	34,672	164,484	12,503	-129,812	-78.92%	22,169	177.31%
Assets limited as to use	1,412,691	1,412,691	39,925	0	0.00%	1,372,766	3438.36%
Prepaid expenses	3,809,107	2,662,682	2,760,555	1,146,425	43.06%	1,048,552	37.98%
Due from Affiliates	103,651,099	111,927,004	124,999,011	-8,275,905	-7.39%	-21,347,912	-17.08%
Total current assets	104,009,536	140,192,181	117,198,308	-36,182,645	-25.81%	-13,188,772	-11.25%
Assets limited as to use							
Self insurance trust funds	5,229,359	3,193,809	5,481,067	2,035,550	63.73%	-251,708	-4.59%
Deferred compensation fund	287,089	288,004	280,212	-915	-0.32%	6,877	2.45%
Trustee held funds	5,110,534	5,078,053	39,925	32,481	0 64%	5,070,609	12700.34%
Total assets limited as to use	10,626,982	8,559,866	5,801,204	2,067,116	24.15%	4,825,778	83.19%
Less amount required to meet current obli	1,412,691	1,412,691	39,925	0	0.00%	1,372,766	3438.36%
Noncurrent assets limited as to use	9,214,291	7,147,175	5,761,279	2,067,116	28.92%	3,453,012	59.93%
Property, plant and equipment, net	3,265,507	3,489,261	3,317,724	-223,754	-6.41%	-52,217	-1.57%
Other Assets:							
Investments	1,590,017	1,590,017	2,511,697	0	0.00%	-921,680	-36.70%
Deferred financing costs, net	288,680	293,318	260,917	-4,638	-1.58%	27,763	10.64%
Prepaid expenses and other	55,000	55,000	55,000	0	0.00%	0	0.00%
Total other assets	1,933,697	1,938,335	2,827,614	-4,638	-0.24%	-893,917	-31.61%
Total assets	118,423,031	152,766,952	129,104,925	-34,343,921	-22.48%	-10,681,894	-8.27%

RIDOH 0762

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	2,764,372	2,162,318	1,511,762	602,054	27.84%	1,252,610	82.86%
Current installments of long-term debt	4,507,993	4,507,993	3,726,267	0	0 00%	781,726	20.98%
Accounts payable and accrued expenses	13,043,596	13,744,415	9,797,732	-700,819	-5.10%	3,245,864	33.13%
Deferred revenue	1,200,004	1,500,004	2,250,001	-300,000	-20.00%	-1,049,997	-46.67%
Due to Affiliates	2,694,904	15,197,102	1,508,096	-12,502,198	-82.27%	1,186,808	78.70%
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total current liabilities	24,210,869	37,111,832	18,793,858	-12,900,963	-34.76%	5,417,011	28.82%
Net pension liability	4,479,623	4,994,077	3,835,775	-514,454	-10.30%	643,848	16 79%
Self-insurance reserves	14,528,858	13,797,374	13,186,365	731,484	5.30%	1,342,493	10.18%
Interest rate swap	13,356,799	13,629,389	12,670,450	-272,590	-2.00%	686,349	5.42%
Long-term debt, net of current portion	101,099,422	101,099,422	95,607,415	0	0.00%	5,492,007	5.74%
Deferred compensation	1,370,386	1,479,831	299,509	-109,445	-7.40%	1,070,877	357.54%
Total liabilities	159,045,957	172,111,925	144,393,372	-13,065,968	-7.59%	14,652,585	10.15%
Net assets:							
Unrestricted	-40,622,926	-19,344,973	-15,288,447	-21,277,953	-109.99%	-25,334,479	-165.71%
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	-40,622.926	-19,344,973	-15,288,447	-21,277,953	-109.99%	-25,334,479	-165.71%
Total liabilities and net assets	118,423,031	152,766,952	129,104,925	-34,343,921	-22.48%	-10,681,894	-8.27%
	0	0	0				

RIDOH 0763

VNA of CNE
Consolidated Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	-4,606,859	-5,163,890	-4,581,075	557,031	10.79%	-25,784	-0.56%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	2,241,583	2,399,959	2,232,063	-158,376	-6.60%	9,520	0.43%
Other	183,290	153,038	157,610	30,252	19.77%	25,680	16.29%
	2,424,873	2,552,997	2,389,673	-128,124	-5.02%	35,200	1.47%
Less estimated uncollectibles	349,103	332,544	393,299	16,559	4.98%	-44,196	-11.24%
Net receivables	2,075,770	2,220,453	1,996,374	-144,683	-6.52%	79,396	3.98%
Prepaid expenses	69,811	39,285	70,233	30,526	77.70%	-422	-0.60%
Due from Affiliates	117,862	290,519	27,821	-172,657	-59.43%	90,041	323.64%
Total current assets	-2,343,416	-2,613,633	-2,486,647	270,217	10.34%	143,231	5.76%
Assets limited as to use							
Board designated	646,912	635,794	577,268	11,118	1.75%	69,644	12.06%
Deferred compensation fund	95,655	95,655	94,640	0	0.00%	1,015	1.07%
Total assets limited as to use	742,567	731,449	671,908	11,118	1.52%	70,659	10.52%
Less amount required to meet current obli	0	0	0	0	#N/A	0	#N/A
Noncurrent assets limited as to use	742,567	731,449	671,908	11,118	1.52%	70,659	10.52%
Property, plant and equipment, net	853,531	904,948	851,867	-51,417	-5.68%	1,664	0.20%
Other Assets:							
Endowment funds	0	0	0	0	#N/A	0	#N/A
Net pension asset	0	0	0	0	#N/A	0	#N/A
Investments	0	0	0	0	#N/A	0	#N/A
Deferred financing costs, net	0	0	0	0	#N/A	0	#N/A
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	0	0	0	0	#N/A	0	#N/A
Prepaid expenses and other	0	0	0	0	#N/A	0	#N/A
Total other assets	0	0	0	0	#N/A	0	#N/A
Total assets	-747,318	-977,236	-962,872	229,918	23.53%	215,554	22.39%

RIDOH 0764

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	107,400	107,987	77,741	-587	-0.54%	29,659	38.15%
Current installments of long-term debt	35,748	35,330	34,238	418	1.18%	1,510	4.41%
Accounts payable and accrued expenses	1,985,664	1,984,491	1,810,783	1,173	0.06%	174,881	9.66%
Deferred revenue	296,941	354,288	227,042	-57,347	-16.19%	69,899	30.79%
Estimated third party payor settlements	243,802	243,802	243,802	0	0.00%	0	0.00%
Due to Affiliates	451,806	408,926	725,116	42,880	10.49%	-273,310	-37.69%
Total current liabilities	3,121,361	3,134,824	3,118,722	-13,463	-0.43%	2,639	0.08%
Net pension liability	3,034,028	2,970,298	2,702,715	63,730	2.15%	331,313	12.26%
Long-term debt, net of current portion	21,676	30,772	57,291	-9,096	-29.56%	-35,615	-62.17%
Deferred compensation	92,606	92,606	195,717	0	0.00%	-103,111	-52.68%
Total liabilities	6,269,671	6,228,500	6,074,445	41,171	0.66%	195,226	3.21%
Net assets:							
Unrestricted	-7,016,989	-7,205,736	-7,037,317	188,747	2.62%	20,328	0.29%
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	-7,016,989	-7,205,736	-7,037,317	188,747	2 62%	20,328	0.29%
Total liabilities and net assets	-747,318	-977,236	-962,872	229,918	23.53%	215,554	22.39%
	0	0	0				

RIDOH 0765

Adjustments/Eliminations
Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	0	0	0	0	#N/A	0	#N/A
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	0	0	0	0	#N/A	0	#N/A
Other	0	-113,000	0	113,000	100.00%	0	#N/A
	0	-113,000	0	113,000	100.00%	0	#N/A
Less estimated uncollectibles	0	0	0	0	#N/A	0	#N/A
Net receivables	0	-113,000	0	113,000	100.00%	0	#N/A
Assets limited as to use	0	0	0	0	#N/A	0	#N/A
Inventories	0	0	0	0	#N/A	0	#N/A
Prepaid expenses	0	0	0	0	#N/A	0	#N/A
Notes Receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges, net	0	0	0	0	#N/A	0	#N/A
Due from Affiliates	-109,730,769	-130,775,615	-129,760,151	21,044,846	16.09%	20,029,382	15.44%
Total current assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
Assets limited as to use							
Board designated	0	0	0	0	#N/A	0	#N/A
Self insurance trust funds	0	0	0	0	#N/A	0	#N/A
Deferred compensation fund	0	0	0	0	#N/A	0	#N/A
Depreciation funding trust	0	0	0	0	#N/A	0	#N/A
Interest Rate Swap	0	0	0	0	#N/A	0	#N/A
Trustee held funds	0	0	0	0	#N/A	0	#N/A
Total assets limited as to use	0	0	0	0	#N/A	0	#N/A
Less amount required to meet current obli	0	0	0	0	#N/A	0	#N/A
Noncurrent assets limited as to use	0	0	0	0	#N/A	0	#N/A
Property, plant and equipment, net	0	0	0	0	#N/A	0	#N/A
Other Assets:							
Endowment funds	0	0	0	0	#N/A	0	#N/A
Net pension asset	0	0	0	0	#N/A	0	#N/A
Prepaid pension	0	0	0	0	#N/A	0	#N/A
Deferred financing costs, net	0	0	0	0	#N/A	0	#N/A
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	0	0	0	0	#N/A	0	#N/A
Prepaid expenses and other	0	0	0	0	#N/A	0	#N/A
Total other assets	0	0	0	0	#N/A	0	#N/A
Total assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%

RIDOH 0766

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Notes payable	0	0	0	0	#N/A	0	#N/A
Advances from third party payors	0	0	0	0	#N/A	0	#N/A
Current pension payable	0	0	-4,000,000	0	#N/A	4,000,000	100.00%
Current installments of long-term debt	-3,560,532	-3,560,532	-3,824,473	0	0.00%	263,941	6.90%
Accounts payable and accrued expenses	-641,472	-113,000	-317,841	-528,472	-467.67%	-323,631	-101.82%
Deferred revenue	0	0	0	0	#N/A	0	#N/A
Estimated third party payor settlements	0	0	0	0	#N/A	0	#N/A
Due to Affiliates	-13,226,596	-34,687,069	-29,719,188	21,460,473	61.87%	16,492,592	55.49%
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total current liabilities	-17,428,600	-38,360,601	-37,861,502	20,932,001	54.57%	20,432,902	53.97%
Estimated third party payor settlements	0	0	0	0	#N/A	0	#N/A
Long term pension payable	0	0	0	0	#N/A	0	#N/A
Net pension liability	0	0	0	0	#N/A	0	#N/A
Net post retirement liability	0	0	0	0	#N/A	0	#N/A
Additional pension liability	0	0	0	0	#N/A	0	#N/A
Asset Retirement obligation	0	0	0	0	#N/A	0	#N/A
Deferred reimbursement	0	0	0	0	#N/A	0	#N/A
Self-insurance reserves	0	0	0	0	#N/A	0	#N/A
Interest rate swap	0	0	0	0	#N/A	0	#N/A
Due to CNE, LTD, net of current	-92,302,169	-92,528,014	-91,898,649	225,845	0.24%	-403,520	-0.44%
Long-term debt, net of current portion	0	0	0	0	#N/A	0	#N/A
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total liabilities	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
Net assets:							
Unrestricted	0	0	0	0	#N/A	0	#N/A
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	0	0	0	0	#N/A	0	#N/A
Total liabilities and net assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
	0	0	0				

RIDOH 0767

CNE Financial Statements Index

Unaudited consolidated statement of unrestricted activities for CNE as of the quarter ended December 31, 2012	RIDOH 0770
Unaudited balance sheets as of December 31, 2012 for CNE, Butler Hospital, Kent Hospital, Women and Infants Corporation, CNE – Corporate and VNA of CNE	RIDOH 0778
Unaudited statement of unrestricted activities as of December 31, 2012 for CNE, Butler Hospital, Kent Hospital, Women and Infants Corporation, CNE – Corporate and VNA of CNE	RIDOH 0793
Audited Consolidated Financial Statements with Supplementary Consolidating Information for years ended September 30, 2012 and 2011	RIDOH 0801
Audited Consolidated Financial Statements with Supplementary Consolidating Information for years ended September 30, 2011 and 2010	RIDOH 0853
Audited Consolidated Financial Statements with Supplementary Consolidating Information for years ended September 30, 2010 and 2009	RIDOH 0903

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Care New England
Combined Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Variance Actual to Budget	%	Current YTD Actual	Prior YTD Actual	Variance Actual to Actual	%
Unrestricted revenues and gains:								
Patient service revenue (net of contractual allowances and discounts)	$216,742,011	$220,350,466	($3,608,455)	-1 64%	$216,742,011	$207,941,881	$8,800,130	4 23%
Less: Charity care	(9,210,155)	(9,767,174)	557,019	5 70%	(9,210,155)	(8,355,167)	(854,988)	-10.23%
Provision for bad debts	(11,506,405)	(10,954,798)	(551,607)	-5 04%	(11,506,405)	(9,013,951)	(2,492,454)	-27 65%
Net patient service revenue less provision for bad debts	196,025,451	199,628,494	(3,603,043)	-1 80%	196,025,451	190,572,763	5,452,688	2.86%
Net assets released from restrictions	596,898	610,905	(14,007)	-2 29%	596,898	619,441	(22,543)	-3 64%
Research revenue	7,066,034	6,625,907	440,127	6 64%	7,066,034	6,824,832	241,202	3 53%
Other revenue	6,473,738	6,468,791	4,947	0 08%	6,473,738	6,238,736	235,002	3.77%
Total revenues and gains	**210,162,121**	**213,334,097**	**(3,171,976)**	**-1.49%**	**210,162,121**	**204,255,772**	**5,906,349**	**2.89%**
Operating expenses:								
Salaries and Wages	107,747,856	109,487,084	1,739,228	1.59%	107,747,856	104,290,854	(3,457,002)	-3.31%
Fringe Benefits	30,768,874	31,529,142	760,268	2 41%	30,768,874	32,723,983	1,955,109	5.97%
Insurances	6,591,424	6,674,695	83,271	1.25%	6,591,424	6,367,936	(223,488)	-3 51%
Medical Supplies and Drugs	18,652,362	19,045,980	393,618	2 07%	18,652,362	16,838,591	(1,813,771)	-10 77%
Other Expenses	26,402,589	27,387,673	985,084	3 60%	26,402,589	23,101,108	(3,301,481)	-14.29%
Research expenses	6,999,918	6,625,903	(374,015)	-5 64%	6,999,918	6,711,155	(288,763)	-4 30%
Licensure Fee	8,076,428	8,076,428	0	0 00%	8,076,428	7,958,816	(117,612)	-1.48%
Interest	855,665	890,928	35,263	3 96%	855,665	975,515	119,850	12.29%
Depreciation and amortization	7,374,665	7,394,379	19,714	0 27%	7,374,665	7,395,478	20,813	0.28%
Total operating expenses	**213,469,781**	**217,112,212**	**3,642,431**	**1.68%**	**213,469,781**	**206,363,436**	**(7,106,345)**	**-3.44%**
Net income (loss) from operations	**(3,307,660)**	**(3,778,115)**	**470,455**	**12.45%**	**(3,307,660)**	**(2,107,664)**	**(1,199,996)**	**-56.93%**
Nonoperating gains and (losses):								
Unrestricted gifts & bequests	189,591	130,848	58,743	44 89%	189,591	180,456	9,135	5 06%
Income on investments whose use is limited	779,613	396,568	383,045	96 59%	779,613	561,828	217,785	38 76%
Gains on investments whose use is limited	274,235	281,249	(7,014)	-2.49%	274,235	304,057	(29,822)	-9.81%
Change in net unrealized gains and losses	1,267,058	628,440	638,618	101 62%	1,267,058	5,067,311	(3,800,253)	-75.00%
Change in market value of Interest rate swap	272,590	0	272,590	#DIV/0!	272,590	(1,313,916)	1,586,506	120.75%
Receipts (payment) on interest rate swap	0	0	0	#DIV/0!	0	0	0	#DIV/0!
Fund raising expenditures	(489,243)	(615,886)	126,643	20 56%	(489,243)	(479,319)	(9,924)	-2.07%
Net nonoperating gains	**2,293,844**	**821,219**	**1,472,625**	**179.32%**	**2,293,844**	**4,320,417**	**(2,026,573)**	**-46.91%**
Excess of expenses over revenues and gains	**(1,013,816)**	**(2,956,896)**	**1,943,080**	**65.71%**	**(1,013,816)**	**2,212,753**	**(3,226,569)**	**-145.82%**
Net assets released from restrictions	124,863	421,752	(296,889)	-70 39%	124,863	445,928	(321,065)	-72.00%
Increase (Decrease) in unrestricted net assets net assets	**($888,953)**	**($2,535,144)**	**$1,646,191**	**64.93%**	**($888,953)**	**$2,658,681**	**($3,547,634)**	**-133.44%**

RIDOH 0770

Butler Hospital
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	17,588,682	17,687,681	16,992,711	-98,999	-0.56%	595,971	3.51%
Less: Charity care	(1,495,545)	(977,417)	(895,610)	-518,128	-53.01%	-599,935	-66.99%
Provision for bad debts	(620,635)	(710,845)	(431,731)	90,210	12.69%	-188,904	-43.76%
Net patient service revenue less provision for bad debts	15,472,502	15,999,419	15,665,370	-526,917	-3.29%	-192,868	-1.23%
Net assets released from restrictions	79,156	100,530	69,834	-21,374	-21.26%	9,322	13.35%
Research revenue	3,101,772	2,661,645	2,437,508	440,127	16.54%	664,264	27.25%
Other revenue	4,726,336	4,600,960	4,256,838	125,376	2.72%	469,498	11.03%
Total revenues and gains	23,379,766	23,362,554	22,429,550	17,212	0 07%	950,216	4.24%
Operating expenses:							
Salaries and Wages	12,415,227	12,284,930	12,038,733	-130,297	-1.06%	-376,494	-3.13%
Fringe Benefits	3,270,627	3,296,714	3,622,903	26,087	0.79%	352,276	9.72%
Insurances	501,684	491,499	550,414	-10,185	-2.07%	48,730	8.85%
Medical Supplies and Drugs	391,880	356,609	423,897	-35,271	-9.89%	32,017	7.55%
Other Expenses	1,806,057	1,919,525	3,584,600	113,468	5.91%	1,778,543	49.62%
Research expenses	3,035,656	2,661,641	2,323,831	-374,015	-14.05%	-711,825	-30.63%
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	96,538	100,064	133,871	3,526	3.52%	37,333	27.89%
Depreciation and amortization	842,004	842,004	869,502	0	0.00%	27,498	3.16%
Total operating expenses	22,359,673	21,952,986	23,547,751	-406,687	-1.85%	1,188,078	5.05%
Net income (loss) from operations	1,020,093	1,409,568	-1,118,201	-389,475	-27.63%	2,138,294	191.23%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	25,661	13,749	12,642	11,912	86.64%	13,019	102.98%
Income on investments whose use is limited	177,803	170,943	182,377	6,860	4.01%	-4,574	-2.51%
Gains on investments whose use is limited	17,815	0	0	17,815	#DIV/0!	17,815	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	-47,725	0	112,169	-47,725	#DIV/0!	-159,894	-142.55%
Change in Market Value of Interest Rate Swaps		0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-96,753	-98,687	-81,479	1,934	1.96%	-15,274	-18.75%
Net nonoperating gains	76,801	86,005	225,709	-9,204	-10.70%	-148,908	-65.97%
Excess of revenues and gains over expenses	1,096,894	1,495,573	-892,492	-398,679	-26.66%	1,989,386	222.90%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	-6,481	0	#DIV/0!	6,481	100.00%
(Decrease) increase in unrestricted net assets	1,096,894	1,495,573	-898,973	-398,679	-26.66%	1,995,867	222.02%

Note Butler changes its presentation of research revenues and research expenses effective with YTD December Butler adjusted FY12 actual and Budget periods, but did not adjust historically presented FY11 information

RIDOH 0771

Kent Hospital
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	88,708,790	92,378,653	84,336,581	-3,669,863	-3.97%	4,372,209	5.18%
Less: Charity care	(4,808,653)	(5,039,067)	(4,537,370)	230,414	4.57%	-271,283	-5.98%
Provision for bad debts	(8,490,614)	(8,948,904)	(7,295,648)	458,290	5.12%	-1,194,966	-16.38%
Net patient service revenue less provision for bad debts	75,409,523	78,390,682	72,503,563	-2,981,159	-3.80%	2,905,960	4.01%
Net assets released from restrictions	118,148	110,781	133,336	7,367	6.65%	-15,188	-11.39%
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	1,131,507	1,205,717	1,370,339	-74,210	-6.15%	-238,832	-17.43%
Total revenues and gains	76,659,178	79,707,180	74,007,238	-3,048,002	-3.82%	2,651,940	3.58%
Operating expenses:							
Salaries and Wages	32,226,121	33,122,599	31,579,777	896,478	2.71%	-646,344	-2.05%
Fringe Benefits	8,523,675	8,727,685	9,196,859	204,010	2.34%	673,184	7.32%
Insurances	2,202,299	2,251,491	1,928,182	49,192	2.18%	-274,117	-14.22%
Medical Supplies and Drugs	9,499,540	10,161,055	8,663,574	661,515	6.51%	-835,966	-9.65%
Other Expenses	9,381,099	9,364,920	17,112,439	-16,179	-0.17%	7,731,340	45.18%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	3,476,166	3,476,166	3,361,667	0	0.00%	-114,499	-3.41%
Interest	187,948	186,297	215,379	-1,651	-0.89%	27,431	12.74%
Depreciation and amortization	2,577,762	2,577,760	2,422,481	-2	0.00%	-155,281	-6.41%
Total operating expenses	68,074,610	69,867,973	74,480,358	1,793,363	2.57%	6,405,748	8.60%
Net income (loss) from operations	8,584,568	9,839,207	-473,120	-1,254,639	-12.75%	9,057,688	1914.46%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	55	0	0	55	#DIV/0!	55	#DIV/0!
Income on investments whose use is limited	167,127	62,502	109,831	104,625	167.39%	57,296	52.17%
Gains on investments whose use is limited	67,223	75,000	18,718	-7,777	-10.37%	48,505	259.14%
Transfer from/(to) Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	396,103	0	600,756	396,103	#DIV/0!	-204,653	-34.07%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-191,134	-214,683	-212,317	23,549	10.97%	21,183	9.98%
Net nonoperating gains	439,374	-77,181	516,988	516,555	669.28%	-77,614	-15.01%
Excess of revenues and gains over expenses	9,023,942	9,762,026	43,868	-738,084	-7.56%	8,980,074	20470.67%
Change in Net Unrealized Gains and Losses		0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	91,985	250,002	113,046	-158,017	-63.21%	-21,061	-18.63%
Increase in unrestricted net assets	9,115,927	10,012,028	156,914	-896,101	-8.95%	8,959,013	5709.51%

Kent/Butler Unit	2,555,135
VNA Subsidy	0

RIDOH 0772

Women & Infants Corporation
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	106,137,457	105,785,607	102,474,373	351,850	0.33%	3,663,084	3.57%
Less: Charity care	(2,904,603)	(3,747,809)	(2,919,352)	843,206	22.50%	14,749	0.51%
Provision for bad debts	(2,378,021)	(1,277,914)	(1,286,206)	-1,100,107	-86.09%	-1,091,813	-84.89%
Net patient service revenue less provision for bad debts	100,854,833	100,759,884	98,268,813	94,949	0.09%	2,586,020	2.63%
Net assets released from restrictions	399,594	399,594	416,271	0	0.00%	-16,677	-4.01%
Research revenue	3,964,262	3,964,262	4,387,324	0	0.00%	-423,062	-9.64%
Other revenue	2,922,976	2,762,079	2,645,269	160,897	5.83%	277,707	10.50%
Total revenues and gains	108,141,665	107,885,819	105,717,677	255,846	0.24%	2,423,988	2.29%
Operating expenses:							
Salaries and Wages	49,630,371	50,492,399	48,164,386	862,028	1.71%	-1,465,985	-3.04%
Fringe Benefits	14,946,163	15,475,123	16,036,468	528,960	3.42%	1,090,305	6.80%
Insurances	3,786,886	3,826,628	3,803,009	39,742	1.04%	16,123	0.42%
Medical Supplies and Drugs	8,644,408	8,415,024	7,649,010	-229,384	-2.73%	-995,398	-13.01%
Other Expenses	9,990,795	10,623,043	17,610,497	632,248	5.95%	7,619,702	43.27%
Research expenses	3,964,262	3,964,262	4,387,324	0	0.00%	423,062	9.64%
Licensure Fee	4,600,262	4,600,262	4,597,149	0	0 00%	-3,113	-0.07%
Interest	528,862	527,952	586,175	-910	-0.17%	57,313	9.78%
Depreciation and amortization	3,638,583	3,658,299	3,870,640	19,716	0.54%	232,057	6.00%
Total operating expenses	99,730,592	101,582,992	106,704,658	1,852,400	1.82%	6,974,066	6.54%
Net income (loss) from operations	8,411,073	6,302,827	-986,981	2,108,246	33.45%	9,398,054	952.20%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	147,009	95,001	140,070	52,008	54.74%	6,939	4.95%
Income on investments whose use is limited	411,807	162,499	284,246	249,308	153.42%	127,561	44.88%
Gains on investments whose use is limited	193,858	206,249	183,930	-12,391	-6.01%	9,928	5.40%
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	990,317	624,999	4,264,225	365,318	58.45%	-3,273,908	-76.78%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-199,512	-297,593	-179,988	98,081	32.96%	-19,524	-10.85%
Net nonoperating gains	1,543,479	791,155	4,692,483	752,324	95.09%	-3,149,004	-67.11%
Excess of revenues and gains over expenses	9,954,552	7,093,982	3,705,502	2,860,570	40.32%	6,249,050	168.64%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	32,878	171,750	339,363	-138,872	-80.86%	-306,485	-90.31%
Increase (decrease) in unrestricted net assets	9,987,430	7,265,732	4,044,865	2,721,698	37.46%	5,942,565	146.92%

Prior year reclasses (no change to bottom line):
swap interest
fringe offset from other expenses to fringe benefits

RIDOH 0773

CNE
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	350,140	360,402	306,981	-10,262	-2.85%	43,159	14.06%
Less: Charity care	0	0	0	0	#DIV/0!	0	#DIV/0!
Provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net patient service revenue less provision for bad debts	350,140	360,402	306,981	-10,262	-2.85%	43,159	14.06%
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	444,148	464,772	20,229,196	-20,624	-4.44%	-19,785,048	-97.80%
Total revenues and gains	794,288	825,174	20,536,177	-30,886	-3.74%	-19,741,889	-96.13%
Operating expenses:							
Salaries and Wages	10,710,316	10,753,650	10,546,365	43,334	0.40%	-163,951	-1.55%
Fringe Benefits	3,268,945	3,243,843	3,138,838	-25,102	-0.77%	-130,107	-4.15%
Insurances	22,563	24,921	13,270	2,358	9.46%	-9,293	-70.03%
Medical Supplies and Drugs	0	0	0	0	#DIV/0!	0	#DIV/0!
Other Expenses	7,972,417	8,005,329	6,220,302	32,912	0.41%	-1,752,115	-28.17%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	41,446	74,941	37,594	33,495	44.70%	-3,852	-10.25%
Depreciation and amortization	264,603	264,603	176,346	0	0.00%	-88,257	-50.05%
Total operating expenses	22,280,290	22,367,287	20,132,715	86,997	0.39%	-2,147,575	-10.67%
Net income (loss) from operations	-21,486,002	-21,542,113	403,462	56,111	0.26%	-21,889,464	-5425.41%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	0	0	0	0	#DIV/0!	0	#DIV/0!
Income on investments whose use is limited	12,739	624	-20,082	12,115	1941.51%	32,821	163.43%
Gains on investments whose use is limited	-4,661	0	101,409	-4,661	#DIV/0!	-106,070	-104.60%
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	-72,618	0	66,717	-72,618	#DIV/0!	-139,335	-208.84%
Change in Market Value of Interest Rate Swaps	272,590	0	-1,313,916	272,590	#DIV/0!	1,586,506	120 75%
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	0	0	0	0	#DIV/0!	0	#DIV/0!
Net nonoperating gains	208,050	624	-1,165,872	207,426	33241.35%	1,373,922	117.85%
Excess of revenues and gains over expenses	-21,277,952	-21,541,489	-762,410	263,537	1.22%	-20,515,542	-2690.88%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Decrease in unrestricted net assets	-21,277,952	-21,541,489	-762,410	263,537	1.22%	-20,515,542	-2690.88%

RIDOH 0774

VNA of Care New England
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	3,956,942	4,138,123	3,831,235	-181,181	-4.38%	125,707	3.28%
Less: Charity care	(1,354)	(2,881)	(2,835)	1,527	53.00%	1,481	52.24%
Provision for bad debts	(17,135)	(17,135)	(364)	0	0.00%	-16,771	-4607.42%
Net patient service revenue less provision for bad debts	3,938,453	4,118,107	3,828,036	-179,654	-4.36%	110,417	2.88%
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	248,054	284,402	289,654	-36,348	-12.78%	-41,600	-14.36%
Total revenues and gains	4,186,507	4,402,509	4,117,690	-216,002	-4.91%	68,817	1.67%
Operating expenses:							
Salaries and Wages	2,765,821	2,833,506	2,655,504	67,685	2.39%	-110,317	-4.15%
Fringe Benefits	759,464	785,777	728,915	26,313	3.35%	-30,549	-4.19%
Insurances	77,992	80,156	73,061	2,164	2.70%	-4,931	-6.75%
Medical Supplies and Drugs	116,534	113,292	102,110	-3,242	-2.86%	-14,424	-14.13%
Other Expenses	251,504	323,995	431,919	72,491	22.37%	180,415	41.77%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	871	1,674	2,496	803	47.97%	1,625	65.10%
Depreciation and amortization	51,713	51,713	56,509	0	0.00%	4,796	8.49%
Total operating expenses	4,023,899	4,190,113	4,050,514	166,214	3.97%	26,615	0.66%
Net income (loss) from operations	162,608	212,396	67,176	-49,788	-23.44%	95,432	142.06%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	16,866	22,098	27,744	-5,232	-23.68%	-10,878	-39.21%
Income on investments whose use is limited	10,137	0	5,456	10,137	#DIV/0!	4,681	85.80%
Gains on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	981	3,441	23,444	-2,460	-71.49%	-22,463	-95.82%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-1,844	-4,923	-5,535	3,079	62.54%	3,691	66.68%
Net nonoperating gains	26,140	20,616	51,109	5,524	26.79%	-24,969	-48.85%
Excess of revenues and gains over expenses	188,748	233,012	118,285	-44,264	-19.00%	70,463	59.57%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
(Decrease) increase in unrestricted net assets	188,748	233,012	118,285	-44,264	-19.00%	70,463	59.57%

RIDOH 0775

Eliminations
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	0	0	0	0	#DIV/0!	0	#DIV/0!
Less: Charity care	0	0	0	0	#DIV/0!	0	#DIV/0!
Provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net patient service revenue less provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0			0	#DIV/0!	0	#DIV/0!
Other revenue	-2,999,283	-2,849,139	-22,552,560	-150,144	-5.27%	19,553,277	86.70%
Total revenues and gains	-2,999,283	-2,849,139	-22,552,560	-150,144	-5.27%	19,553,277	86.70%
Operating expenses:							
Salaries and Wages	0	0	-693,911	0	#DIV/0!	-693,911	-100.00%
Fringe Benefits	0	0	0	0	#DIV/0!	0	#DIV/0!
Insurances	0	0	0	0	#DIV/0!	0	#DIV/0!
Medical Supplies and Drugs	0	0	0	0	#DIV/0!	0	#DIV/0!
Other Expenses	-2,999,283	-2,849,139	-21,858,649	150,144	5.27%	-18,859,366	-86.28%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	0	0	0	0	#DIV/0!	0	#DIV/0!
Depreciation and amortization	0	0	0	0	#DIV/0!	0	#DIV/0!
Total operating expenses	-2,999,283	-2,849,139	-22,552,560	150,144	5.27%	-19,553,277	-86.70%
Net Income After Brown	0	0	0	0	#DIV/0!	0	#DIV/0!
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	0	0	0	0	#DIV/0!	0	#DIV/0!
Income on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Gains on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	0	0	0	0	#DIV/0!	0	#DIV/0!
Net nonoperating gains	0	0	0	0	#DIV/0!	0	#DIV/0!
Excess of revenues and gains over expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Increase in unrestricted net assets	0	0	0	0	#DIV/0!	0	#DIV/0!

RIDOH 0776

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Care New England Health System

Consolidated Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	60,789,683	62,834,427	26,313,749	-2,044,744	-3.25%	34,475,934	131.02%
Investments	25,951,365	25,919,112	25,463,485	32,253	0.12%	487,880	1.92%
Receivables							
Patient	135,808,165	131,918,853	130,173,580	3,889,312	2.95%	5,634,585	4.33%
Other	25,127,688	21,659,231	26,619,647	3,468,457	16.01%	-1,491,959	-5.60%
	160,935,853	153,578,084	156,793,227	7,357,769	4.79%	4,142,626	2.64%
Less estimated uncollectibles	35,620,980	35,233,907	33,880,632	387,073	1.10%	1,740,348	5.14%
Net receivables	125,314,873	118,344,177	122,912,595	6,970,696	5.89%	2,402,278	1.95%
Assets limited as to use	2,948,588	2,519,851	4,323,103	428,737	17.01%	-1,374,515	-31.79%
Inventories	4,982,244	4,860,022	4,018,167	122,222	2.51%	964,077	23.99%
Prepaid expenses	7,395,856	6,539,505	6,850,575	856,351	13.10%	545,281	7.96%
Notes Receivable, net	33,040	32,793	31,586	247	0.75%	1,454	4.60%
Pledges, net	1,556,751	1,877,826	1,418,382	-321,075	-17.10%	138,369	9.76%
Total current assets	228,972,400	222,927,713	191,331,642	6,044,687	2.71%	37,640,759	19.67%
Assets limited as to use							
Board designated	93,760,361	91,001,215	84,251,972	2,759,146	3.03%	9,508,389	11.29%
Self insurance trust funds	151,630,829	147,754,305	138,972,342	3,876,524	2.62%	12,658,487	9.11%
Deferred compensation fund	4,129,516	4,208,411	4,108,348	-78,895	-1.87%	21,168	0.52%
Trustee held funds	20,649,616	22,453,515	24,425,338	-1,803,899	-8.03%	-3,775,722	-15.46%
Total assets limited as to use	270,170,322	265,417,446	251,758,000	4,752,876	1.79%	18,412,322	7.31%
Less amount required to meet current obli	2,948,588	2,519,851	4,323,103	428,737	17.01%	-1,374,515	-31.79%
Noncurrent assets limited as to use	267,221,734	262,897,595	247,434,897	4,324,139	1.64%	19,786,837	8.00%
Property, plant and equipment, net	248,706,985	249,787,289	248,604,698	-1,080,304	-0.43%	102,287	0.04%
Other Assets:							
Endowment funds	39,782,887	39,510,908	35,596,516	271,979	0.69%	4,186,371	11.76%
Investments	4,175,157	4,175,157	6,591,690	0	0.00%	-2,416,533	-36.66%
Deferred financing costs, net	753,209	764,597	755,163	-11,388	-1.49%	-1,954	-0.26%
Notes and advances receivable, net	28,693	36,970	61,714	-8,277	-22.39%	-33,021	-53.51%
Pledges receivable, net	2,676,242	2,654,887	2,580,048	21,355	0.80%	96,194	3.73%
Prepaid expenses and other	1,021,493	1,053,585	1,138,903	-32,092	-3.05%	-117,410	-10.31%
Total other assets	48,437,681	48,196,104	46,724,034	241,577	0.50%	1,713,647	3.67%
Total assets	793,338,800	783,808,701	734,095,271	9,530,099	1.22%	59,243,529	8.07%

RIDOH 0778

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	16,019,059	12,138,551	8,037,797	3,880,508	31.97%	7,981,262	99.30%
Current installments of long-term debt	6,446,218	6,393,013	5,676,157	53,205	0.83%	770,061	13.57%
Accounts payable and accrued expenses	92,073,819	91,880,970	85,809,388	192,849	0.21%	6,264,431	7.30%
Deferred revenue	11,098,880	9,682,603	11,856,150	1,416,277	14.63%	-757,270	-6.39%
Estimated third party payor settlements	13,269,872	10,809,417	14,293,545	2,460,455	22.76%	-1,023,673	-7.16%
Deferred compensation	0	0	330,345	0	#N/A	-330,345	-100.00%
Total current liabilities	138,907,848	130,904,554	126,003,382	8,003,294	6.11%	12,904,466	10.24%
Estimated third party payor settlements	24,531,529	25,531,529	20,567,405	-1,000,000	-3.92%	3,964,124	19.27%
Net pension liability	56,657,785	57,191,703	57,329,330	-533,918	-0.93%	-671,545	-1.17%
Net post retirement liability	1,788,923	1,788,923	1,973,659	0	0.00%	-184,736	-9.36%
Asset retirement obligation	1,728,333	1,680,800	1,697,524	47,533	2.83%	30,809	1.81%
Self-insurance reserves	130,249,351	125,931,253	114,316,945	4,318,098	3.43%	15,932,406	13.94%
Interest rate swaps	13,356,799	13,629,389	12,670,450	-272,590	-2.00%	686,349	5.42%
Long-term debt, net of current portion	107,806,435	108,377,894	104,228,090	-571,459	-0.53%	3,578,345	3.43%
Deferred compensation	5,641,415	6,199,797	4,302,481	-558,382	-9.01%	1,338,934	31.12%
Total liabilities	480,668,418	471,235,842	443,089,266	9,432,576	2.00%	37,579,152	8.48%
Net assets:							
Unrestricted	258,299,765	259,188,721	246,601,013	-888,956	-0.34%	11,698,752	4.74%
Temporarily restricted	34,947,911	34,041,338	26,139,020	906,573	2.66%	8,808,891	33.70%
Permanently restricted	19,422,706	19,342,800	18,265,972	79,906	0.41%	1,156,734	6.33%
Total net assets	312,670,382	312,572,859	291,006,005	97,523	0.03%	21,664,377	7.44%
Total liabilities and net assets	793,338,800	783,808,701	734,095,271	9,530,099	1.22%	59,243,529	8.07%

RIDOH 0779

Butler Hospital
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	20,319,833	14,055,663	18,108,101	6,264,170	44.57%	2,211,732	12.21%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	7,557,592	7,098,474	7,302,274	459,118	6.47%	255,318	3.50%
Other	2,924,259	4,590,032	2,899,885	-1,665,773	-36.29%	24,374	0.84%
	10,481,851	11,688,506	10,202,159	-1,206,655	-10.32%	279,692	2.74%
Less estimated uncollectibles	1,184,592	1,351,601	1,060,142	-167,009	-12.36%	124,450	11.74%
Net receivables	9,297,259	10,336,905	9,142,017	-1,039,646	-10.06%	155,242	1.70%
Assets limited as to use	482,373	444,954	286,621	37,419	8.41%	195,752	68.30%
Inventories	281,082	281,082	262,561	0	0.00%	18,521	7.05%
Prepaid expenses	479,612	592,509	240,716	-112,897	-19.05%	238,896	99.24%
Notes Receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges, net	176,270	219,471	197,897	-43,201	-19.68%	-21,627	-10.93%
Due from Affiliates	3,053,887	4,368,186	2,936,375	-1,314,299	-30.09%	117,512	4.00%
Total current assets	34,090,316	30,298,770	31,174,288	3,791,546	12.51%	2,916,028	9.35%
Assets limited as to use							
Board designated	4,523,195	4,555,654	4,117,132	-32,459	-0.71%	406,063	9.86%
Self insurance trust funds	2,361,222	2,368,094	2,202,513	-6,872	-0.29%	158,709	7.21%
Deferred compensation fund	1,889,560	1,890,320	1,828,334	-760	-0.04%	61,226	3.35%
Trustee held funds	6,788,232	8,074,417	9,936,995	-1,286,185	-15.93%	-3,148,763	-31.69%
Total assets limited as to use	15,562,209	16,888,485	18,084,974	-1,326,276	-7.85%	-2,522,765	-13.95%
Less amount required to meet current obli	482,373	444,954	286,621	37,419	8.41%	195,752	68.30%
Noncurrent assets limited as to use	15,079,836	16,443,531	17,798,353	-1,363,695	-8.29%	-2,718,517	-15.27%
Property, plant and equipment, net	23,714,020	22,954,549	21,553,874	759,471	3.31%	2,160,146	10.02%
Other Assets:							
Endowment funds	15,625,455	15,592,995	13,960,829	32,460	0.21%	1,664,626	11.92%
Investments	517,028	517,028	816,697	0	0.00%	-299,669	-36.69%
Deferred financing costs, net	70,243	71,191	74,035	-948	-1.33%	-3,792	-5.12%
Pledges receivable, net	222,250	200,895	330,363	21,355	10.63%	-108,113	-32.73%
Total other assets	16,434,976	16,382,109	15,181,924	52,867	0.32%	1,253,052	8.25%
Total assets	89,319,148	86,078,959	85,708,439	3,240,189	3.76%	3,610,709	4.21%

RIDOH 0780

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	2,015,111	1,519,114	1,655,616	495,997	32.65%	359,495	21.71%
Current installments of long-term debt	832,997	805,528	757,375	27,469	3.41%	75,622	9.98%
Accounts payable and accrued expenses	11,107,566	9,661,008	9,471,126	1,446,558	14.97%	1,636,440	17.28%
Deferred revenue	1,140,937	1,439,100	1,238,086	-298,163	-20.72%	-97,149	-7.85%
Estimated third party payor settlements	229,542	212,908	767,967	16,634	7.81%	-538,425	-70.11%
Due to Affiliates	1,716,000	1,518,769	2,683,571	197,231	12.99%	-967,571	-36.06%
Deferred compensation	0	0	238,378	0	#N/A	-238,378	-100.00%
Total current liabilities	17,042,153	15,156,427	16,812,119	1,885,726	12.44%	230,034	1.37%
Estimated third party payor settlements	2,384,292	2,384,292	2,007,520	0	0.00%	376,772	18.77%
Net pension liability	14,959,007	14,662,611	9,194,174	296,396	2.02%	5,764,833	62.70%
Asset Retirement obligation	741,165	733,509	710,776	7,656	1.04%	30,389	4.28%
Self-insurance reserves	2,348,392	2,248,423	1,937,371	99,969	4.45%	411,021	21.22%
Due to CNE, LTD, net of current	14,698,778	14,698,778	15,086,636	0	0.00%	-387,858	-2.57%
Long-term debt, net of current portion	3,559,884	3,612,016	3,763,693	-52,132	-1.44%	-203,809	-5.42%
Deferred compensation	1,951,862	2,255,068	1,563,046	-303,206	-13.45%	388,816	24 88%
Total liabilities	57,685,533	55,751,124	51,075,335	1,934,409	3.47%	6,610,198	12.94%
Net assets:							
Unrestricted	13,043,668	11,946,775	17,629,938	1,096,893	9.18%	-4,586,270	-26.01%
Temporarily restricted	16,166,751	15,958,566	14,573,211	208,185	1 30%	1,593,540	10.93%
Permanently restricted	2,423,196	2,422,494	2,429,955	702	0.03%	-6,759	-0.28%
Total net assets	31,633,615	30,327,835	34,633,104	1,305,780	4 31%	-2,999,489	-8.66%
Total liabilities and net assets	89,319,148	86,078,959	85,708,439	3,240,189	3.76%	3,610,709	4.21%
	0	0	0				

RIDOH 0781

Kent Hospital
Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	6,091,394	-9,212,629	2,544,510	15,304,023	166.12%	3,546,884	139.39%
Receivables							
Patient	64,354,593	65,013,709	58,482,905	-659,116	-1.01%	5,871,688	10.04%
Other	8,611,983	5,350,650	7,562,832	3,261,333	60.95%	1,049,151	13.87%
	72,966,576	70,364,359	66,045,737	2,602,217	3.70%	6,920,839	10.48%
Less estimated uncollectibles	22,912,411	22,362,370	19,293,358	550,041	2.46%	3,619,053	18.76%
Net receivables	50,054,165	48,001,989	46,752,379	2,052,176	4.28%	3,301,786	7.06%
Assets limited as to use	625,190	483,131	1,246,437	142,059	29.40%	-621,247	-49.84%
Inventories	3,846,729	3,892,834	3,271,772	-46,105	-1.18%	574,957	17.57%
Prepaid expenses	1,167,114	1,104,844	1,105,952	62,270	5.64%	61,162	5.53%
Pledges, net	405,553	683,427	297,202	-277,874	-40.66%	108,351	36.46%
Due from Affiliates	1,367,284	9,131,910	1,495,051	-7,764,626	-85.03%	-127,767	-8.55%
Total current assets	63,557,429	54,085,506	56,713,303	9,471,923	17.51%	6,844,126	12.07%
Assets limited as to use							
Board designated	25,995,172	24,597,196	22,666,552	1,397,976	5.68%	3,328,620	14.69%
Self insurance trust funds	22,840,467	22,462,621	20,284,870	377,846	1.68%	2,555,597	12.60%
Deferred compensation fund	743,335	777,097	790,186	-33,762	-4.34%	-46,851	-5.93%
Trustee held funds	8,322,516	9,192,776	12,292,135	-870,260	-9.47%	-3,969,619	-32.29%
Total assets limited as to use	57,901,490	57,029,690	56,033,743	871,800	1.53%	1,867,747	3.33%
Less amount required to meet current obli	625,190	483,131	1,246,437	142,059	29.40%	-621,247	-49.84%
Noncurrent assets limited as to use	57,276,300	56,546,559	54,787,306	729,741	1.29%	2,488,994	4.54%
Property, plant and equipment, net	68,945,408	68,275,829	67,138,001	669,579	0.98%	1,807,407	2.69%
Other Assets:							
Endowment funds	15,570,951	15,491,747	13,907,631	79,204	0.51%	1,663,320	11.96%
Deferred financing costs, net	157,482	160,710	170,393	-3,228	-2.01%	-12,911	-7.58%
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	1,953,082	1,953,082	1,450,823	0	0.00%	502,259	34.62%
Prepaid expenses and other	966,493	998,585	1,083,903	-32,092	-3.21%	-117,410	-10.83%
Total other assets	18,648,008	18,604,124	16,612,750	43,884	0.24%	2,035,258	12.25%
Total assets	208,427,145	197,512,018	195,251,360	10,915,127	5.53%	13,175,785	6.75%

RIDOH 0782

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	7,376,859	5,532,644	5,707,150	1,844,215	33.33%	1,669,709	29.26%
Current installments of long-term debt	2,763,905	2,738,587	2,378,080	25,318	0.92%	385,825	16.22%
Accounts payable and accrued expenses	26,248,982	29,013,780	27,251,290	-2,764,798	-9.53%	-1,002,308	-3.68%
Deferred revenue	4,599,683	1,629,985	3,864,499	2,969,698	182.19%	735,184	19.02%
Estimated third party payor settlements	4,914,871	4,107,581	2,925,478	807,290	19.65%	1,989,393	68.00%
Due to Affiliates	5,411,533	5,216,000	13,697,311	195,533	3 75%	-8,285,778	-60.49%
Deferred compensation	0	0	91,967	0	#N/A	-91,967	-100.00%
Total current liabilities	51,315,833	48,238,577	55,915,775	3,077,256	6.38%	-4,599,942	-8.23%
Estimated third party payor settlements	4,544,295	5,544,295	5,063,286	-1,000,000	-18.04%	-518,991	-10.25%
Net pension liability	23,359,417	23,606,286	28,011,017	-246,869	-1.05%	-4,651,600	-16.61%
Net post retirement liability	1,788,923	1,788,923	1,973,659	0	0.00%	-184,736	-9.36%
Asset Retirement obligation	987,168	947,291	986,748	39,877	4.21%	420	0.04%
Self-insurance reserves	26,400,917	26,584,860	20,685,804	-183,943	-0.69%	5,715,113	27.63%
Due to CNE, LTD, net of current	27,122,121	27,347,965	26,251,716	-225,844	-0.83%	870,405	3.32%
Long-term debt, net of current portion	953,577	1,416,934	2,440,315	-463,357	-32.70%	-1,486,738	-60.92%
Deferred compensation	904,734	937,468	619,355	-32,734	-3.49%	285,379	46.08%
Total liabilities	137,376,985	136,412,599	141,947,675	964,386	0.71%	-4,570,690	-3.22%
Net assets:							
Unrestricted	48,932,606	39,816,679	35,043,615	9,115,927	22.89%	13,888,991	39.63%
Temporarily restricted	9,317,536	8,561,926	6,609,396	755,610	8.83%	2,708,140	40.97%
Permanently restricted	12,800,018	12,720,814	11,650,674	79,204	0.62%	1,149,344	9.87%
Total net assets	71,050,160	61,099,419	53,303,685	9,950,741	16.29%	17,746,475	33.29%
Total liabilities and net assets	208,427,145	197,512,018	195,251,360	10,915,127	5.53%	13,175,785	6.75%
	0	0	0				

RIDOH 0783

Women and Infants Corporation
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	69,834,713	65,049,075	46,319,384	4,785,638	7.36%	23,515,329	50.77%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	61,654,397	57,406,711	62,156,338	4,247,686	7 40%	-501,941	-0.81%
Other	13,373,484	11,514,027	15,986,817	1,859,457	16.15%	-2,613,333	-16.35%
	75,027,881	68,920,738	78,143,155	6,107,143	8.86%	-3,115,274	-3.99%
Less estimated uncollectibles	11,174,874	11,187,392	13,133,833	-12,518	-0.11%	-1,958,959	-14.92%
Net receivables	63,853,007	57,733,346	65,009,322	6,119,661	10.60%	-1,156,315	-1.78%
Assets limited as to use	428,334	179,075	2,750,120	249,259	139 19%	-2,321,786	-84.42%
Inventories	854,433	686,106	483,834	168,327	24.53%	370,599	76.60%
Prepaid expenses	1,870,212	2,140,185	2,673,119	-269,973	-12.61%	-802,907	-30.04%
Notes Receivable, net	33,040	32,793	31,586	247	0 75%	1,454	4.60%
Pledges, net	974,928	974,928	923,283	0	0.00%	51,645	5.59%
Due from Affiliates	1,540,637	5,057,996	301,893	-3,517,359	-69.54%	1,238,744	410.33%
Total current assets	139,389,304	131,853,504	118,492,541	7,535,800	5.72%	20,896,763	17.64%
Assets limited as to use							
Board designated	62,595,082	61,212,571	56,891,020	1,382,511	2 26%	5,704,062	10.03%
Self insurance trust funds	121,199,781	119,729,781	111,003,892	1,470,000	1.23%	10,195,889	9.19%
Deferred compensation fund	1,113,877	1,157,335	1,114,976	-43,458	-3.76%	-1,099	-0.10%
Depreciation funding trust	0	0	0	0	#N/A	0	#N/A
Trustee held funds	428,334	108,269	2,156,283	320,065	295.62%	-1,727,949	-80.14%
Total assets limited as to use	185,337,074	182,207,956	171,166,171	3,129,118	1.72%	14,170,903	8.28%
Less amount required to meet current obli	428,334	179,075	2,750,120	249,259	139.19%	-2,321,786	-84.42%
Noncurrent assets limited as to use	184,908,740	182,028,881	168,416,051	2,879,859	1 58%	16,492,689	9.79%
Property, plant and equipment, net	151,928,519	154,162,702	155,743,232	-2,234,183	-1.45%	-3,814,713	-2.45%
Other Assets:							
Endowment funds	8,586,481	8,426,166	7,728,056	160,315	1.90%	858,425	11.11%
Investments	2,068,112	2,068,112	3,263,296	0	0.00%	-1,195,184	-36.63%
Deferred financing costs, net	236,804	239,378	249,818	-2,574	-1.08%	-13,014	-5.21%
Notes and advances receivable, net	28,693	36,970	61,714	-8,277	-22.39%	-33,021	-53.51%
Pledges receivable, net	500,910	500,910	798,862	0	0.00%	-297,952	-37.30%
Total other assets	11,421,000	11,271,536	12,101,746	149,464	1.33%	-680,746	-5.63%
Total assets	487,647,563	479,316,623	454,753,570	8,330,940	1.74%	32,893,993	7 23%

RIDOH 0784

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	3,755,317	2,816,488	3,085,528	938,829	33.33%	669,789	21.71%
Current installments of long-term debt	1,866,107	1,866,107	2,604,670	0	0.00%	-738,563	-28.36%
Accounts payable and accrued expenses	40,329,483	37,590,276	37,796,298	2,739,207	7.29%	2,533,185	6.70%
Deferred revenue	3,861,315	4,759,226	4,276,522	-897,911	-18.87%	-415,207	-9 71%
Estimated third party payor settlements	7,881,657	6,245,126	10,356,298	1,636,531	26.20%	-2,474,641	-23.90%
Due to Affiliates	2,952,353	12,346,272	11,105,094	-9,393,919	-76.09%	-8,152,741	-73.41%
Total current liabilities	60,646,232	65,623,495	69,224,410	-4,977,263	-7.58%	-8,578,178	-12.39%
Estimated third party payor settlements	17,602,942	17,602,942	13,496,599	0	0.00%	4,106,343	30.43%
Net pension liability	10,825,710	10,958,431	13,585,649	-132,721	-1.21%	-2,759,939	-20.32%
Self-insurance reserves	86,971,184	83,300,596	78,507,405	3,670,588	4.41%	8,463,779	10.78%
Due to CNE, LTD, net of current	50,481,270	50,481,271	50,560,297	-1	0.00%	-79,027	-0.16%
Long-term debt, net of current portion	2,171,876	2,218,750	2,359,376	-46,874	-2.11%	-187,500	-7.95%
Deferred compensation	1,321,827	1,434,824	1,624,854	-112,997	-7.88%	-303,027	-18.65%
Total liabilities	230,021,041	231,620,309	229,358,590	-1,599,268	-0.69%	662,451	0.29%
Net assets:							
Unrestricted	243,963,406	233,975,976	216,253,224	9,987,430	4.27%	27,710,182	12.81%
Temporarily restricted	9,463,624	9,520,846	4,956,413	-57,222	-0.60%	4,507,211	90.94%
Permanently restricted	4,199,492	4,199,492	4,185,343	-1,578,110	-0.91%	14,149	0.34%
Total net assets	257,626,522	247,696,314	225,394,980	-1,578,110	-0.91%	32,231,542	14.30%
Total liabilities and net assets	487,647,563	479,316,623	454,753,570	-1,578,110	-0.91%	32,893,993	7.23%
	0	0	0				

RIDOH 0785

Care New England - Corporate
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	-30,849,398	-1,893,792	-36,077,171	-28,955,606	-1528.97%	5,227,773	14.49%
Investments	25,951,365	25,919,112	25,463,485	32,253	0.12%	487,880	1.92%
Receivables							
Patient	0	0	0	0	#N/A	0	#N/A
Other	34,672	164,484	12,503	-129,812	-78.92%	22,169	177 31%
	34,672	164,484	12,503	-129,812	-78.92%	22,169	177.31%
Less estimated uncollectibles	0	0	0	0	#N/A	0	#N/A
Net receivables	34,672	164,484	12,503	-129,812	-78.92%	22,169	177.31%
Assets limited as to use	1,412,691	1,412,691	39,925	0	0.00%	1,372,766	3438.36%
Prepaid expenses	3,809,107	2,662,682	2,760,555	1,146,425	43 06%	1,048,552	37.98%
Due from Affiliates	103,651,099	111,927,004	124,999,011	-8,275,905	-7 39%	-21,347,912	-17.08%
Total current assets	104,009,536	140,192,181	117,198,308	-36,182,645	-25.81%	-13,188,772	-11.25%
Assets limited as to use							
Self insurance trust funds	5,229,359	3,193,809	5,481,067	2,035,550	63.73%	-251,708	-4.59%
Deferred compensation fund	287,089	288,004	280,212	-915	-0.32%	6,877	2.45%
Trustee held funds	5,110,534	5,078,053	39,925	32,481	0.64%	5,070,609	12700.34%
Total assets limited as to use	10,626,982	8,559,866	5,801,204	2,067,116	24 15%	4,825,778	83.19%
Less amount required to meet current obli	1,412,691	1,412,691	39,925	0	0 00%	1,372,766	3438.36%
Noncurrent assets limited as to use	9,214,291	7,147,175	5,761,279	2,067,116	28.92%	3,453,012	59.93%
Property, plant and equipment, net	3,265,507	3,489,261	3,317,724	-223,754	-6.41%	-52,217	-1.57%
Other Assets:							
Investments	1,590,017	1,590,017	2,511,697	0	0.00%	-921,680	-36.70%
Deferred financing costs, net	288,680	293,318	260,917	-4,638	-1 58%	27,763	10.64%
Prepaid expenses and other	55,000	55,000	55,000	0	0.00%	0	0.00%
Total other assets	1,933,697	1,938,335	2,827,614	-4,638	-0.24%	-893,917	-31.61%
Total assets	118,423,031	152,766,952	129,104,925	-34,343,921	-22.48%	-10,681,894	-8.27%

RIDOH 0786

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Current pension payable	2,764,372	2,162,318	1,511,762	602,054	27.84%	1,252,610	82.86%
Current installments of long-term debt	4,507,993	4,507,993	3,726,267	0	0.00%	781,726	20.98%
Accounts payable and accrued expenses	13,043,596	13,744,415	9,797,732	-700,819	-5.10%	3,245,864	33.13%
Deferred revenue	1,200,004	1,500,004	2,250,001	-300,000	-20.00%	-1,049,997	-46.67%
Due to Affiliates	2,694,904	15,197,102	1,508,096	-12,502,198	-82.27%	1,186,808	78.70%
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total current liabilities	24,210,869	37,111,832	18,793,858	-12,900,963	-34.76%	5,417,011	28.82%
Net pension liability	4,479,623	4,994,077	3,835,775	-514,454	-10.30%	643,848	16.79%
Self-insurance reserves	14,528,858	13,797,374	13,186,365	731,484	5.30%	1,342,493	10.18%
Interest rate swap	13,356,799	13,629,389	12,670,450	-272,590	-2.00%	686,349	5.42%
Long-term debt, net of current portion	101,099,422	101,099,422	95,607,415	0	0.00%	5,492,007	5.74%
Deferred compensation	1,370,386	1,479,831	299,509	-109,445	-7.40%	1,070,877	357.54%
Total liabilities	159,045,957	172,111,925	144,393,372	-13,065,968	-7.59%	14,652,585	10.15%
Net assets:							
Unrestricted	-40,622,926	-19,344,973	-15,288,447	-21,277,953	-109.99%	-25,334,479	-165.71%
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	-40,622,926	-19,344,973	-15,288,447	-21,277,953	-109.99%	-25,334,479	-165.71%
Total liabilities and net assets	118,423,031	152,766,952	129,104,925	-34,343,921	-22 48%	-10,681,894	-8.27%
	0	0	0				

RIDOH 0787

VNA of CNE
Consolidated Balance Sheet

ASSETS	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current assets:							
Cash and Cash equivalents	-4,606,859	-5,163,890	-4,581,075	557,031	10.79%	-25,784	-0.56%
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	2,241,583	2,399,959	2,232,063	-158,376	-6.60%	9,520	0.43%
Other	183,290	153,038	157,610	30,252	19.77%	25,680	16.29%
	2,424,873	2,552,997	2,389,673	-128,124	-5.02%	35,200	1.47%
Less estimated uncollectibles	349,103	332,544	393,299	16,559	4.98%	-44,196	-11.24%
Net receivables	2,075,770	2,220,453	1,996,374	-144,683	-6.52%	79,396	3.98%
Prepaid expenses	69,811	39,285	70,233	30,526	77.70%	-422	-0.60%
Due from Affiliates	117,862	290,519	27,821	-172,657	-59.43%	90,041	323.64%
Total current assets	-2,343,416	-2,613,633	-2,486,647	270,217	10.34%	143,231	5.76%
Assets limited as to use							
Board designated	646,912	635,794	577,268	11,118	1.75%	69,644	12.06%
Deferred compensation fund	95,655	95,655	94,640	0	0.00%	1,015	1.07%
Total assets limited as to use	742,567	731,449	671,908	11,118	1.52%	70,659	10.52%
Less amount required to meet current obli	0	0	0	0	#N/A	0	#N/A
Noncurrent assets limited as to use	742,567	731,449	671,908	11,118	1.52%	70,659	10.52%
Property, plant and equipment, net	853,531	904,948	851,867	-51,417	-5.68%	1,664	0.20%
Other Assets:							
Endowment funds	0	0	0	0	#N/A	0	#N/A
Net pension asset	0	0	0	0	#N/A	0	#N/A
Investments	0	0	0	0	#N/A	0	#N/A
Deferred financing costs, net	0	0	0	0	#N/A	0	#N/A
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	0	0	0	0	#N/A	0	#N/A
Prepaid expenses and other	0	0	0	0	#N/A	0	#N/A
Total other assets	0	0	0	0	#N/A	0	#N/A
Total assets	-747,318	-977,236	-962,872	229,918	23.53%	215,554	22.39%

RIDOH 0788

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	% Change	12/12-12/11 Change	% Change
Current liabilities:							
Current pension payable	107,400	107,987	77,741	-587	-0.54%	29,659	38.15%
Current installments of long-term debt	35,748	35,330	34,238	418	1.18%	1,510	4.41%
Accounts payable and accrued expenses	1,985,664	1,984,491	1,810,783	1,173	0.06%	174,881	9.66%
Deferred revenue	296,941	354,288	227,042	-57,347	-16.19%	69,899	30.79%
Estimated third party payor settlements	243,802	243,802	243,802	0	0.00%	0	0.00%
Due to Affiliates	451,806	408,926	725,116	42,880	10.49%	-273,310	-37.69%
Total current liabilities	3,121,361	3,134,824	3,118,722	-13,463	-0.43%	2,639	0.08%
Net pension liability	3,034,028	2,970,298	2,702,715	63,730	2.15%	331,313	12.26%
Long-term debt, net of current portion	21,676	30,772	57,291	-9,096	-29.56%	-35,615	-62.17%
Deferred compensation	92,606	92,606	195,717	0	0.00%	-103,111	-52.68%
Total liabilities	6,269,671	6,228,500	6,074,445	41,171	0.66%	195,226	3.21%
Net assets:							
Unrestricted	-7,016,989	-7,205,736	-7,037,317	188,747	2.62%	20,328	0.29%
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	-7,016,989	-7,205,736	-7,037,317	188,747	2.62%	20,328	0.29%
Total liabilities and net assets	-747,318	-977,236	-962,872	229,918	23.53%	215,554	22.39%
	0	0	0				

RIDOH 0789

Adjustments/Eliminations
Balance Sheet

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
ASSETS							
Current assets:							
Cash and Cash equivalents	0	0	0	0	#N/A	0	#N/A
Investments	0	0	0	0	#N/A	0	#N/A
Receivables							
Patient	0	0	0	0	#N/A	0	#N/A
Other	0	-113,000	0	113,000	100.00%	0	#N/A
	0	-113,000	0	113,000	100.00%	0	#N/A
Less estimated uncollectibles	0	0	0	0	#N/A	0	#N/A
Net receivables	0	-113,000	0	113,000	100.00%	0	#N/A
Assets limited as to use	0	0	0	0	#N/A	0	#N/A
Inventories	0	0	0	0	#N/A	0	#N/A
Prepaid expenses	0	0	0	0	#N/A	0	#N/A
Notes Receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges, net	0	0	0	0	#N/A	0	#N/A
Due from Affiliates	-109,730,769	-130,775,615	-129,760,151	21,044,846	16.09%	20,029,382	15.44%
Total current assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
Assets limited as to use							
Board designated	0	0	0	0	#N/A	0	#N/A
Self insurance trust funds	0	0	0	0	#N/A	0	#N/A
Deferred compensation fund	0	0	0	0	#N/A	0	#N/A
Depreciation funding trust	0	0	0	0	#N/A	0	#N/A
Interest Rate Swap	0	0	0	0	#N/A	0	#N/A
Trustee held funds	0	0	0	0	#N/A	0	#N/A
Total assets limited as to use	0	0	0	0	#N/A	0	#N/A
Less amount required to meet current obli	0	0	0	0	#N/A	0	#N/A
Noncurrent assets limited as to use	0	0	0	0	#N/A	0	#N/A
Property, plant and equipment, net	0	0	0	0	#N/A	0	#N/A
Other Assets:							
Endowment funds	0	0	0	0	#N/A	0	#N/A
Net pension asset	0	0	0	0	#N/A	0	#N/A
Prepaid pension	0	0	0	0	#N/A	0	#N/A
Deferred financing costs, net	0	0	0	0	#N/A	0	#N/A
Notes and advances receivable, net	0	0	0	0	#N/A	0	#N/A
Pledges receivable, net	0	0	0	0	#N/A	0	#N/A
Prepaid expenses and other	0	0	0	0	#N/A	0	#N/A
Total other assets	0	0	0	0	#N/A	0	#N/A
Total assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%

RIDOH 0790

LIABILITIES AND NET ASSETS

	12/31/2012	9/30/2012	12/31/2011	12/12-9/12 Change	12/12-9/12 % Change	12/12-12/11 Change	12/12-12/11 % Change
Current liabilities:							
Notes payable	0	0	0	0	#N/A	0	#N/A
Advances from third party payors	0	0	0	0	#N/A	0	#N/A
Current pension payable	0	0	-4,000,000	0	#N/A	4,000,000	100.00%
Current installments of long-term debt	-3,560,532	-3,560,532	-3,824,473	0	0.00%	263,941	6.90%
Accounts payable and accrued expenses	-641,472	-113,000	-317,841	-528,472	-467.67%	-323,631	-101.82%
Deferred revenue	0	0	0	0	#N/A	0	#N/A
Estimated third party payor settlements	0	0	0	0	#N/A	0	#N/A
Due to Affiliates	-13,226,596	-34,687,069	-29,719,188	21,460,473	61.87%	16,492,592	55.49%
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total current liabilities	-17,428,600	-38,360,601	-37,861,502	20,932,001	54.57%	20,432,902	53.97%
Estimated third party payor settlements	0	0	0	0	#N/A	0	#N/A
Long term pension payable	0	0	0	0	#N/A	0	#N/A
Net pension liability	0	0	0	0	#N/A	0	#N/A
Net post retirement liability	0	0	0	0	#N/A	0	#N/A
Additional pension liability	0	0	0	0	#N/A	0	#N/A
Asset Retirement obligation	0	0	0	0	#N/A	0	#N/A
Deferred reimbursement	0	0	0	0	#N/A	0	#N/A
Self-insurance reserves	0	0	0	0	#N/A	0	#N/A
Interest rate swap	0	0	0	0	#N/A	0	#N/A
Due to CNE, LTD, net of current	-92,302,169	-92,528,014	-91,898,649	225,845	0.24%	-403,520	-0.44%
Long-term debt, net of current portion	0	0	0	0	#N/A	0	#N/A
Deferred compensation	0	0	0	0	#N/A	0	#N/A
Total liabilities	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
Net assets:							
Unrestricted	0	0	0	0	#N/A	0	#N/A
Temporarily restricted	0	0	0	0	#N/A	0	#N/A
Permanently restricted	0	0	0	0	#N/A	0	#N/A
Total net assets	0	0	0	0	#N/A	0	#N/A
Total liabilities and net assets	-109,730,769	-130,888,615	-129,760,151	21,157,846	16.16%	20,029,382	15.44%
	0	0	0				

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Care New England
Combined Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Variance Actual to Budget	%	Current YTD Actual	Prior YTD Actual	Variance Actual to Actual	%
Unrestricted revenues and gains:								
Patient service revenue (net of contractual allowances and discounts)	$216,742,011	$220,350,466	($3,608,455)	-1 64%	$216,742,011	$207,941,881	$8,800,130	4 23%
Less: Charity care	(9,210,155)	(9,767,174)	557,019	5 70%	(9,210,155)	(8,355,167)	(854,988)	-10 23%
Provision for bad debts	(11,506,405)	(10,954,798)	(551,607)	-5.04%	(11,506,405)	(9,013,951)	(2,492,454)	-27.65%
Net patient service revenue less provision for bad debts	196,025,451	199,628,494	(3,603,043)	-1.80%	196,025,451	190,572,763	5,452,688	2.86%
Net assets released from restrictions	596,898	610,905	(14,007)	-2.29%	596,898	619,441	(22,543)	-3.64%
Research revenue	7,066,034	6,625,907	440,127	6.64%	7,066,034	6,824,832	241,202	3 53%
Other revenue	6,473,738	6,468,791	4,947	0 08%	6,473,738	6,238,736	235,002	3 77%
Total revenues and gains	**210,162,121**	**213,334,097**	**(3,171,976)**	**-1.49%**	**210,162,121**	**204,255,772**	**5,906,349**	**2.89%**
Operating expenses:								
Salaries and Wages	107,747,856	109,487,084	1,739,228	1.59%	107,747,856	104,290,854	(3,457,002)	-3 31%
Fringe Benefits	30,768,874	31,529,142	760,268	2.41%	30,768,874	32,723,983	1,955,109	5.97%
Insurances	6,591,424	6,674,695	83,271	1 25%	6,591,424	6,367,936	(223,488)	-3 51%
Medical Supplies and Drugs	18,652,362	19,045,980	393,618	2 07%	18,652,362	16,838,591	(1,813,771)	-10 77%
Other Expenses	26,402,589	27,387,673	985,084	3 60%	26,402,589	23,101,108	(3,301,481)	-14 29%
Research expenses	6,999,918	6,625,903	(374,015)	-5 64%	6,999,918	6,711,155	(288,763)	-4 30%
Licensure Fee	8,076,428	8,076,428	0	0.00%	8,076,428	7,958,816	(117,612)	-1 48%
Interest	855,665	890,928	35,263	3.96%	855,665	975,515	119,850	12.29%
Depreciation and amortization	7,374,665	7,394,379	19,714	0.27%	7,374,665	7,395,478	20,813	0.28%
Total operating expenses	**213,469,781**	**217,112,212**	**3,642,431**	**1.68%**	**213,469,781**	**206,363,436**	**(7,106,345)**	**-3.44%**
Net Income (loss) from operations	**(3,307,660)**	**(3,778,115)**	**470,455**	**12.45%**	**(3,307,660)**	**(2,107,664)**	**(1,199,996)**	**-56.93%**
Nonoperating gains and (losses):								
Unrestricted gifts & bequests	189,591	130,848	58,743	44 89%	189,591	180,456	9,135	5 06%
Income on investments whose use is limited	779,613	396,568	383,045	96 59%	779,613	561,828	217,785	38.76%
Gains on investments whose use is limited	274,235	281,249	(7,014)	-2.49%	274,235	304,057	(29,822)	-9.81%
Change in net unrealized gains and losses	1,267,058	628,440	638,618	101.62%	1,267,058	5,067,311	(3,800,253)	-75.00%
Change in market value of Interest rate swap	272,590	0	272,590	#DIV/0!	272,590	(1,313,916)	1,586,506	120.75%
Receipts (payment) on interest rate swap	0	0	0	#DIV/0!	0	0	0	#DIV/0!
Fund raising expenditures	(489,243)	(615,886)	126,643	20 56%	(489,243)	(479,319)	(9,924)	-2.07%
Net nonoperating gains	**2,293,844**	**821,219**	**1,472,625**	**179.32%**	**2,293,844**	**4,320,417**	**(2,026,573)**	**-46.91%**
Excess of expenses over revenues and gains	**(1,013,816)**	**(2,956,896)**	**1,943,080**	**65.71%**	**(1,013,816)**	**2,212,753**	**(3,226,569)**	**-145.82%**
Net assets released from restrictions	124,863	421,752	(296,889)	-70.39%	124,863	445,928	(321,065)	-72 00%
Increase (Decrease) in unrestricted net assets net assets	**($888,953)**	**($2,535,144)**	**$1,646,191**	**64.93%**	**($888,953)**	**$2,658,681**	**($3,547,634)**	**-133.44%**

RIDOH 0793

Butler Hospital
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	17,588,682	17,687,681	16,992,711	-98,999	-0.56%	595,971	3.51%
Less: Charity care	(1,495,545)	(977,417)	(895,610)	-518,128	-53.01%	-599,935	-66.99%
Provision for bad debts	(620,635)	(710,845)	(431,731)	90,210	12.69%	-188,904	-43.76%
Net patient service revenue less provision for bad debts	15,472,502	15,999,419	15,665,370	-526,917	-3.29%	-192,868	-1.23%
Net assets released from restrictions	79,156	100,530	69,834	-21,374	-21.26%	9,322	13.35%
Research revenue	3,101,772	2,661,645	2,437,508	440,127	16.54%	664,264	27.25%
Other revenue	4,726,336	4,600,960	4,256,838	125,376	2.72%	469,498	11.03%
Total revenues and gains	23,379,766	23,362,554	22,429,550	17,212	0.07%	950,216	4.24%
Operating expenses:							
Salaries and Wages	12,415,227	12,284,930	12,038,733	-130,297	-1.06%	-376,494	-3.13%
Fringe Benefits	3,270,627	3,296,714	3,622,903	26,087	0.79%	352,276	9.72%
Insurances	501,684	491,499	550,414	-10,185	-2.07%	48,730	8.85%
Medical Supplies and Drugs	391,880	356,609	423,897	-35,271	-9.89%	32,017	7.55%
Other Expenses	1,806,057	1,919,525	3,584,600	113,468	5.91%	1,778,543	49 62%
Research expenses	3,035,656	2,661,641	2,323,831	-374,015	-14.05%	-711,825	-30.63%
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	96,538	100,064	133,871	3,526	3.52%	37,333	27.89%
Depreciation and amortization	842,004	842,004	869,502	0	0.00%	27,498	3.16%
Total operating expenses	22,359,673	21,952,986	23,547,751	-406,687	-1.85%	1,188,078	5.05%
Net income (loss) from operations	1,020,093	1,409,568	-1,118,201	-389,475	-27.63%	2,138,294	191.23%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	25,661	13,749	12,642	11,912	86.64%	13,019	102.98%
Income on investments whose use is limited	177,803	170,943	182,377	6,860	4.01%	-4,574	-2.51%
Gains on investments whose use is limited	17,815	0	0	17,815	#DIV/0!	17,815	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	-47,725	0	112,169	-47,725	#DIV/0!	-159,894	-142.55%
Change in Market Value of Interest Rate Swaps		0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-96,753	-98,687	-81,479	1,934	1.96%	-15,274	-18.75%
Net nonoperating gains	76,801	86,005	225,709	-9,204	-10.70%	-148,908	-65.97%
Excess of revenues and gains over expenses	1,096,894	1,495,573	-892,492	-398,679	-26.66%	1,989,386	222.90%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	-6,481	0	#DIV/0!	6,481	100.00%
(Decrease) increase in unrestricted net assets	1,096,894	1,495,573	-898,973	-398,679	-26.66%	1,995,867	222.02%

Note: Butler changes its presentation of research revenues and research expenses effective with YTD December Butler adjusted FY12 actual and Budget periods, but did not adjust historically presented FY11 information

RIDOH 0794

Kent Hospital
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	88,708,790	92,378,653	84,336,581	-3,669,863	-3.97%	4,372,209	5.18%
Less: Charity care	(4,808,653)	(5,039,067)	(4,537,370)	230,414	4.57%	-271,283	-5.98%
Provision for bad debts	(8,490,614)	(8,948,904)	(7,295,648)	458,290	5.12%	-1,194,966	-16.38%
Net patient service revenue less provision for bad debts	75,409,523	78,390,682	72,503,563	-2,981,159	-3.80%	2,905,960	4.01%
Net assets released from restrictions	118,148	110,781	133,336	7,367	6.65%	-15,188	-11.39%
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	1,131,507	1,205,717	1,370,339	-74,210	-6.15%	-238,832	-17.43%
Total revenues and gains	76,659,178	79,707,180	74,007,238	-3,048,002	-3.82%	2,651,940	3.58%
Operating expenses:							
Salaries and Wages	32,226,121	33,122,599	31,579,777	896,478	2.71%	-646,344	-2.05%
Fringe Benefits	8,523,675	8,727,685	9,196,859	204,010	2.34%	673,184	7.32%
Insurances	2,202,299	2,251,491	1,928,182	49,192	2.18%	-274,117	-14.22%
Medical Supplies and Drugs	9,499,540	10,161,055	8,663,574	661,515	6.51%	-835,966	-9.65%
Other Expenses	9,381,099	9,364,920	17,112,439	-16,179	-0.17%	7,731,340	45.18%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	3,476,166	3,476,166	3,361,667	0	0.00%	-114,499	-3.41%
Interest	187,948	186,297	215,379	-1,651	-0.89%	27,431	12.74%
Depreciation and amortization	2,577,762	2,577,760	2,422,481	-2	0.00%	-155,281	-6.41%
Total operating expenses	68,074,610	69,867,973	74,480,358	1,793,363	2.57%	6,405,748	8.60%
Net income (loss) from operations	8,584,568	9,839,207	-473,120	-1,254,639	-12.75%	9,057,688	1914.46%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	55	0	0	55	#DIV/0!	55	#DIV/0!
Income on investments whose use is limited	167,127	62,502	109,831	104,625	167.39%	57,296	52.17%
Gains on investments whose use is limited	67,223	75,000	18,718	-7,777	-10.37%	48,505	259.14%
Transfer from/(to) Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	396,103	0	600,756	396,103	#DIV/0!	-204,653	-34.07%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-191,134	-214,683	-212,317	23,549	10.97%	21,183	9.98%
Net nonoperating gains	439,374	-77,181	516,988	516,555	669.28%	-77,614	-15.01%
Excess of revenues and gains over expenses	9,023,942	9,762,026	43,868	-738,084	-7.56%	8,980,074	20470.67%
Change in Net Unrealized Gains and Losses		0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	91,985	250,002	113,046	-158,017	-63.21%	-21,061	-18.63%
Increase in unrestricted net assets	9,115,927	10,012,028	156,914	-896,101	-8.95%	8,959,013	5709.51%

Kent/Butler Unit	2,555,135
VNA Subsidy	0

RIDOH 0795

Women & Infants Corporation
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	106,137,457	105,785,607	102,474,373	351,850	0.33%	3,663,084	3.57%
Less: Charity care	(2,904,603)	(3,747,809)	(2,919,352)	843,206	22.50%	14,749	0.51%
Provision for bad debts	(2,378,021)	(1,277,914)	(1,286,205)	-1,100,107	-86.09%	-1,091,813	-84.89%
Net patient service revenue less provision for bad debts	100,854,833	100,759,884	98,268,813	94,949	0.09%	2,586,020	2.63%
Net assets released from restrictions	399,594	399,594	416,271	0	0.00%	-16,677	-4.01%
Research revenue	3,964,262	3,964,262	4,387,324	0	0.00%	-423,062	-9.64%
Other revenue	2,922,976	2,762,079	2,645,269	160,897	5.83%	277,707	10.50%
Total revenues and gains	108,141,665	107,885,819	105,717,677	255,846	0.24%	2,423,988	2.29%
Operating expenses:							
Salaries and Wages	49,630,371	50,492,399	48,164,386	862,028	1.71%	-1,465,985	-3 04%
Fringe Benefits	14,946,163	15,475,123	16,036,468	528,960	3.42%	1,090,305	6.80%
Insurances	3,786,886	3,826,628	3,803,009	39,742	1.04%	16,123	0.42%
Medical Supplies and Drugs	8,644,408	8,415,024	7,649,010	-229,384	-2.73%	-995,398	-13.01%
Other Expenses	9,990,795	10,623,043	17,610,497	632,248	5.95%	7,619,702	43.27%
Research expenses	3,964,262	3,964,262	4,387,324	0	0.00%	423,062	9.64%
Licensure Fee	4,600,262	4,600,262	4,597,149	0	0.00%	-3,113	-0.07%
Interest	528,862	527,952	586,175	-910	-0.17%	57,313	9.78%
Depreciation and amortization	3,638,583	3,658,299	3,870,640	19,716	0.54%	232,057	6.00%
Total operating expenses	99,730,592	101,582,992	106,704,658	1,852,400	1.82%	6,974,066	6.54%
Net income (loss) from operations	8,411,073	6,302,827	-986,981	2,108,246	33.45%	9,398,054	952.20%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	147,009	95,001	140,070	52,008	54.74%	6,939	4.95%
Income on investments whose use is limited	411,807	162,499	284,246	249,308	153.42%	127,561	44.88%
Gains on investments whose use is limited	193,858	206,249	183,930	-12,391	-6.01%	9,928	5.40%
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	990,317	624,999	4,264,225	365,318	58.45%	-3,273,908	-76.78%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-199,512	-297,593	-179,988	98,081	32.96%	-19,524	-10.85%
Net nonoperating gains	1,543,479	791,155	4,692,483	752,324	95.09%	-3,149,004	-67.11%
Excess of revenues and gains over expenses	9,954,552	7,093,982	3,705,502	2,860,570	40.32%	6,249,050	168.64%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	32,878	171,750	339,363	-138,872	-80.86%	-306,485	-90.31%
Increase (decrease) in unrestricted net assets	9,987,430	7,265,732	4,044,865	2,721,698	37.46%	5,942,565	146.92%

Prior year reclasses (no change to bottom line):
swap interest
fringe offset from other expenses to fringe benefits

RIDOH 0796

CNE
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	350,140	360,402	306,981	-10,262	-2.85%	43,159	14.06%
Less: Charity care	0	0	0	0	#DIV/0!	0	#DIV/0!
Provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net patient service revenue less provision for bad debts	350,140	360,402	306,981	-10,262	-2.85%	43,159	14.06%
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	444,148	464,772	20,229,196	-20,624	-4.44%	-19,785,048	-97.80%
Total revenues and gains	794,288	825,174	20,536,177	-30,886	-3.74%	-19,741,889	-96.13%
Operating expenses:							
Salaries and Wages	10,710,316	10,753,650	10,546,365	43,334	0.40%	-163,951	-1.55%
Fringe Benefits	3,268,945	3,243,843	3,138,838	-25,102	-0.77%	-130,107	-4.15%
Insurances	22,563	24,921	13,270	2,358	9.46%	-9,293	-70.03%
Medical Supplies and Drugs	0	0	0	0	#DIV/0!	0	#DIV/0!
Other Expenses	7,972,417	8,005,329	6,220,302	32,912	0.41%	-1,752,115	-28 17%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	41,446	74,941	37,594	33,495	44.70%	-3,852	-10.25%
Depreciation and amortization	264,603	264,603	176,346	0	0.00%	-88,257	-50.05%
Total operating expenses	22,280,290	22,367,287	20,132,715	86,997	0.39%	-2,147,575	-10.67%
Net income (loss) from operations	-21,486,002	-21,542,113	403,462	56,111	0.26%	-21,889,464	-5425.41%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	0	0	0	0	#DIV/0!	0	#DIV/0!
Income on investments whose use is limited	12,739	624	-20,082	12,115	1941.51%	32,821	163.43%
Gains on investments whose use is limited	-4,661	0	101,409	-4,661	#DIV/0!	-106,070	-104.60%
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	-72,618	0	66,717	-72,618	#DIV/0!	-139,335	-208.84%
Change in Market Value of Interest Rate Swaps	272,590	0	-1,313,916	272,590	#DIV/0!	1,586,506	120.75%
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	0	0	0	0	#DIV/0!	0	#DIV/0!
Net nonoperating gains	208,050	624	-1,165,872	207,426	33241.35%	1,373,922	117.85%
Excess of revenues and gains over expenses	-21,277,952	-21,541,489	-762,410	263,537	1.22%	-20,515,542	-2690.88%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Decrease in unrestricted net assets	-21,277,952	-21,541,489	-762,410	263,537	1.22%	-20,515,542	-2690.88%

RIDOH 0797

VNA of Care New England
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	3,956,942	4,138,123	3,831,235	-181,181	-4.38%	125,707	3.28%
Less: Charity care	(1,354)	(2,881)	(2,835)	1,527	53.00%	1,481	52.24%
Provision for bad debts	(17,135)	(17,135)	(364)	0	0.00%	-16,771	-4607.42%
Net patient service revenue less provision for bad debts	3,938,453	4,118,107	3,828,036	-179,654	-4.36%	110,417	2.88%
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0	0	0	0	#DIV/0!	0	#DIV/0!
Other revenue	248,054	284,402	289,654	-36,348	-12.78%	-41,600	-14.36%
Total revenues and gains	4,186,507	4,402,509	4,117,690	-216,002	-4.91%	68,817	1.67%
Operating expenses:							
Salaries and Wages	2,765,821	2,833,506	2,655,504	67,685	2.39%	-110,317	-4.15%
Fringe Benefits	759,464	785,777	728,915	26,313	3.35%	-30,549	-4.19%
Insurances	77,992	80,156	73,061	2,164	2.70%	-4,931	-6.75%
Medical Supplies and Drugs	116,534	113,292	102,110	-3,242	-2.86%	-14,424	-14.13%
Other Expenses	251,504	323,995	431,919	72,491	22.37%	180,415	41.77%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	871	1,674	2,496	803	47.97%	1,625	65.10%
Depreciation and amortization	51,713	51,713	56,509	0	0.00%	4,796	8.49%
Total operating expenses	4,023,899	4,190,113	4,050,514	166,214	3.97%	26,615	0.66%
Net income (loss) from operations	162,608	212,396	67,176	-49,788	-23.44%	95,432	142.06%
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	16,866	22,098	27,744	-5,232	-23.68%	-10,878	-39.21%
Income on investments whose use is limited	10,137	0	5,456	10,137	#DIV/0!	4,681	85.80%
Gains on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	981	3,441	23,444	-2,460	-71.49%	-22,463	-95.82%
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	-1,844	-4,923	-5,535	3,079	62.54%	3,691	66.68%
Net nonoperating gains	26,140	20,616	51,109	5,524	26.79%	-24,969	-48.85%
Excess of revenues and gains over expenses	188,748	233,012	118,285	-44,264	-19.00%	70,463	59.57%
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
(Decrease) increase in unrestricted net assets	188,748	233,012	118,285	-44,264	-19.00%	70,463	59.57%

RIDOH 0798

Eliminations
Statement of Unrestricted Activities
For the three months ending December 31, 2012

	Current YTD Actual	Current YTD Budget	Prior YTD Actual	Variance Actual to Budget	%	Variance Actual to Actual	%
Unrestricted revenues and gains:							
Patient service revenue (net of contractual allowances and discounts)	0	0	0	0	#DIV/0!	0	#DIV/0!
Less: Charity care	0	0	0	0	#DIV/0!	0	#DIV/0!
Provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net patient service revenue less provision for bad debts	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Research revenue	0			0	#DIV/0!	0	#DIV/0!
Other revenue	-2,999,283	-2,849,139	-22,552,560	-150,144	-5.27%	19,553,277	86.70%
Total revenues and gains	-2,999,283	-2,849,139	-22,552,560	-150,144	-5.27%	19,553,277	86.70%
Operating expenses:							
Salaries and Wages	0	0	-693,911	0	#DIV/0!	-693,911	-100.00%
Fringe Benefits	0	0	0	0	#DIV/0!	0	#DIV/0!
Insurances	0	0	0	0	#DIV/0!	0	#DIV/0!
Medical Supplies and Drugs	0	0	0	0	#DIV/0!	0	#DIV/0!
Other Expenses	-2,999,283	-2,849,139	-21,858,649	150,144	5.27%	-18,859,366	-86.28%
Research expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Licensure Fee	0	0	0	0	#DIV/0!	0	#DIV/0!
Interest	0	0	0	0	#DIV/0!	0	#DIV/0!
Depreciation and amortization	0	0	0	0	#DIV/0!	0	#DIV/0!
Total operating expenses	-2,999,283	-2,849,139	-22,552,560	150,144	5.27%	-19,553,277	-86 70%
Net Income After Brown	0	0	0	0	#DIV/0!	0	#DIV/0!
Nonoperating gains and (losses):							
Unrestricted Gifts & Bequests	0	0	0	0	#DIV/0!	0	#DIV/0!
Income on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Gains on investments whose use is limited	0	0	0	0	#DIV/0!	0	#DIV/0!
Transfer to Parent	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in net unrealized gains and losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in Market Value of Interest Rate Swaps	0	0	0	0	#DIV/0!	0	#DIV/0!
Receipts (payment) on Interest Rate Swap	0	0	0	0	#DIV/0!	0	#DIV/0!
Fund Raising Expenditures	0	0	0	0	#DIV/0!	0	#DIV/0!
Net nonoperating gains	0	0	0	0	#DIV/0!	0	#DIV/0!
Excess of revenues and gains over expenses	0	0	0	0	#DIV/0!	0	#DIV/0!
Change in Net Unrealized Gains and Losses	0	0	0	0	#DIV/0!	0	#DIV/0!
Net assets released from restrictions	0	0	0	0	#DIV/0!	0	#DIV/0!
Increase in unrestricted net assets	0	0	0	0	#DIV/0!	0	#DIV/0!

RIDOH 0799

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Care New England Health System and Affiliates

Consolidated Financial Statements with
Supplementary Consolidating Information
September 30, 2012 and 2011

Care New England Health System and Affiliates
Index
September 30, 2012 and 2011

	Page(s)
Report of Independent Auditors	1
Consolidated Financial Statements	
Balance Sheets	2
Statements of Operations	3
Statements of Changes in Net Assets	4
Statements of Cash Flows	5
Notes to Financial Statements	6–40
Supplementary Consolidating Financial Statements	
2012 Balance Sheet	41–42
2012 Statement of Operations and Changes in Net Assets	43–44
2011 Balance Sheet	45–46
2011 Statement of Operations and Changes in Net Assets	47–48

pwc

Report of Independent Auditors

To the Board of Directors
Care New England Health System

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of Care New England Health System and Affiliates ("Care New England") at September 30, 2012 and 2011, and the consolidated results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Care New England's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual affiliates and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual affiliates.

PricewaterhouseCoopers LLP

December 21, 2012

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Care New England Health System and Affiliates
Consolidated Balance Sheets
September 30, 2012 and 2011

	2012	2011
Assets		
Current		
Cash and cash equivalents	$ 62,834,427	$ 42,228,189
Investments	25,919,112	30,538,218
Patient accounts receivable, net of allow ance for doubtful accounts of $35,233,907 in 2012 and $32,567,214 in 2011	96,684,946	95,824,246
Other receivables	21,659,231	19,185,236
Pledges receivable, net	1,877,826	1,660,823
Other current assets	11,432,320	9,490,236
Current portion of assets w hose use is limited	2,519,851	4,080,531
Total current assets	222,927,713	203,007,479
Assets w hose use is limited or restricted as to use		
Endow ment funds	39,510,908	34,993,047
Board-designated funds	91,001,215	80,223,173
Trustee-held funds	170,207,820	160,618,076
Deferred compensation funds	4,208,411	4,351,646
Total assets limited as to use	304,928,354	280,185,942
Less: Amounts required to meet current obligations	(2,519,851)	(4,080,531)
Noncurrent assets limited as to use	302,408,503	276,105,411
Property, plant and equipment, net	249,787,289	250,795,543
Pledges receivable, net	2,654,887	2,963,287
Investments	4,175,157	6,595,191
Other assets	1,855,152	1,979,554
Total assets	$ 783,808,701	$ 741,446,465
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 91,880,970	$ 93,895,217
Current portion of estimated third-party payor settlements and advances	10,809,417	14,509,100
Current portion of long-term debt and capital leases	6,393,013	5,913,883
Pension liability	12,138,551	11,378,200
Other current liabilities	9,682,603	8,319,173
Total current liabilities	130,904,554	134,015,573
Long-term liabilities		
Self-insurance reserves	125,931,253	117,916,536
Long-term portion of estimated third-party payor settlements and advances	24,620,668	19,656,544
Long-term debt and capital leases	108,377,894	105,966,325
Pension liability	57,191,703	54,526,947
Postretirement liability	1,788,923	1,973,659
Interest rate sw aps	13,629,389	11,356,534
Other liabilities	8,791,458	7,456,846
Total long-term liabilities	340,331,288	318,853,391
Net assets		
Unrestricted	259,188,721	244,071,577
Temporarily restricted	34,041,338	26,369,596
Permanently restricted	19,342,800	18,136,328
Total net assets	312,572,859	288,577,501
Total liabilities and net assets	$ 783,808,701	$ 741,446,465

The accompanying notes are an integral part of these financial statements.

RIDOH 0804

Care New England Health System and Affiliates
Consolidated Statements of Operations
Years Ended September 30, 2012 and 2011

	2012	2011
Revenues and gains		
Patient service revenue (net of contractual allowances and discounts)	$804,558,084	$755,046,092
Provision for bad debts	(42,706,347)	(31,931,088)
Net patient service revenue less provision for bad debts	761,851,737	723,115,004
Net assets released from restrictions and used for operations	2,579,956	2,995,386
Research revenue	26,695,762	28,456,839
Other revenue	55,025,887	54,588,515
Total revenues and gains	846,153,342	809,155,744
Operating expenses		
Salaries and benefits	551,985,701	526,523,654
Supplies and other expenses	163,501,746	150,237,859
Research expenses	26,516,062	28,599,517
Depreciation and amortization	27,463,883	27,521,712
Insurance	30,434,400	29,603,122
Licensure fee	31,835,264	30,712,398
Interest	3,604,940	3,741,400
Total operating expenses	835,341,996	796,939,662
Income from operations	10,811,346	12,216,082
Nonoperating gains (losses)		
Investment income on assets limited as to use	3,973,173	3,246,158
Unrestricted gifts and bequests	544,936	645,990
Change in fair value of interest rate swaps	(2,272,855)	(1,539,686)
Change in net unrealized gains (losses) on investments	13,239,205	(12,679,303)
Nonoperating expenditures	(2,106,586)	(1,886,229)
Net nonoperating gains (losses)	13,377,873	(12,213,070)
Excess of revenues and gains over expenses and losses	24,189,219	3,012
Other changes in unrestricted net assets		
Pension and postretirement adjustment	(11,125,426)	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	2,033,732	3,419,281
Transfer from (to) deferred revenue	19,619	(2,641,640)
Increase in unrestricted net assets	$ 15,117,144	$ (18,574,806)

The accompanying notes are an integral part of these financial statements.

Care New England Health System and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2012 and 2011

	2012	2011
Unrestricted net assets		
Excess of revenues and gains over expenses and losses	$ 24,189,219	$ 3,012
Other changes in unrestricted net assets		
Pension and postretirement adjustment	(11,125,426)	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	2,033,732	3,419,281
Transfer to deferred revenue	19,619	(2,641,640)
Increase in unrestricted net assets	15,117,144	(18,574,806)
Temporarily restricted net assets		
Contributions	8,110,785	7,114,804
Income from investments	1,026,932	908,944
Net realized and unrealized gains (losses) from investments	3,147,713	(1,344,487)
Net assets released from restrictions	(4,613,688)	(6,414,667)
Increase (decrease) in temporarily restricted net assets	7,671,742	264,594
Permanently restricted net assets		
Net realized and unrealized gains (losses) from investments	1,142,497	(499,422)
Contributions	63,975	104,080
Increase (decrease) in permanently restricted net assets	1,206,472	(395,342)
Increase (decrease) in net assets	23,995,358	(18,705,554)
Net assets		
Beginning of year	288,577,501	307,283,055
End of year	$312,572,859	$288,577,501

The accompanying notes are an integral part of these financial statements.

Care New England Health System and Affiliates
Consolidated Statements of Cash Flows
Years Ended September 30, 2012 and 2011

	2012	2011
Operating activities		
Change in net assets	$ 23,995,358	$ (18,705,554)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Pension and postretirement adjustment	11,125,426	19,355,459
Depreciation and amortization	27,463,883	27,521,712
Gain on early extinguishment of debt	(202,223)	-
Provision for bad debt	42,706,347	31,931,088
Change in fair value of interest rate swaps	2,272,855	1,539,686
Income and gains on assets limited as to use	(3,973,173)	(3,246,158)
Net unrealized (gains) losses on investments	(13,239,205)	12,679,303
Restricted contributions and investment income	(898,987)	395,342
Changes in		
Patient accounts receivable	(43,567,047)	(46,723,599)
Investments	13,197,771	(42,982,013)
Other current and long-term assets	(4,200,280)	(9,216,025)
Accounts payable and accrued expenses	(2,014,247)	(6,072,292)
Estimated third-party payor settlements	1,264,441	(1,737,164)
Deferred revenue and other liabilities	2,698,042	1,325,516
Net pension liability	(7,885,055)	(3,740,625)
Self-insurance reserves	8,014,717	13,778,976
Net cash provided by (used in) operating activities	56,758,623	(23,896,348)
Investing activities		
Purchase of property and equipment	(26,455,629)	(25,089,952)
Purchase of investments	(114,702,347)	(115,355,519)
Proceeds from the sale of investments	101,013,682	108,193,744
Net cash used in investing activities	(40,144,294)	(32,251,727)
Financing activities		
Proceeds from long-term debt and capital leases	10,000,000	28,000,000
Payments on long-term debt and capital leases	(6,907,078)	(8,136,099)
Restricted contributions to be used for long-term investments and investment income	898,987	(395,342)
Net cash provided by financing activities	3,991,909	19,468,559
Net increase (decrease) in cash and cash equivalents	20,606,238	(36,679,516)
Cash and cash equivalents		
Beginning of year	42,228,189	78,907,705
End of year	$ 62,834,427	$ 42,228,189
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 4,047,720	$ 3,866,428

The accompanying notes are an integral part of these financial statements.

RIDOH 0807

1. Description of Organization

Corporate Structure

Care New England Health System ("CNE", "Care New England", or the "Health System"), a not-for-profit corporation, was established in February 1996 as the holding company for the development of an integrated delivery network which consists of Butler Hospital, Kent County Memorial Hospital, and Women & Infants Hospital of Rhode Island (collectively, the "Hospitals"), and the Kent County Visiting Nurse Association, d/b/a VNA of Care New England (the "Agency").

The accompanying consolidated financial statements include the accounts of Care New England and its affiliates, over which Care New England has corporate governance:

- Butler Hospital ("Butler") and its affiliates, Carriage House, LLC ("Carriage"), and Butler Hospital Allied Medical Services, LLC.
- Kent County Memorial Hospital ("Kent") and its affiliates, Kent Hospital Foundation, Kent Ancillary Services, LLC, Affinity Physicians, LLC, and Toll Gate Indemnity, Ltd. ("Toll Gate").
- Women & Infants Corporation ("WIC") and its affiliates, Women & Infants Development Foundation, Palomar Group, Inc. ("Palomar"), Women & Infants Hospital of Rhode Island ("WIH"), WIH Faculty Physicians, Inc., Women & Infants Ancillary Services, LLC, Women & Infants Health Care Alliance, LLC, and W&I Indemnity, Ltd. ("W&I Indemnity").
- Kent County Visiting Nurse Association and its affiliate, Healthtouch, Inc. (together, the "Agency").
- Care New England Wellness Centers, LLC.

Intercompany accounts have been eliminated in consolidation.

Mission and Nature of Business

Care New England is dedicated to building an exemplary health care system. Care New England supports the three Hospitals, the Agency, and other affiliated organizations.

The mission of Butler Hospital is to provide treatment of psychiatric illness in an atmosphere of dignity and respect, and to contribute to knowledge through education and research, while continuously improving the ways Butler serves its patients and the community. Butler is a 117-bed, not-for-profit psychiatric teaching hospital, affiliated with The Warren Alpert Medical School of Brown University, providing services for the care of patients from Rhode Island and nearby Massachusetts. As a complement to its role in service and education, Butler actively supports research by members of its staff. Butler is accredited by The Joint Commission ("TJC").

The mission of Kent County Memorial Hospital is to continually improve the health and well-being of the people and communities it serves, offering its essential services without regard for the ability to pay. Kent is a 359-bed, not-for-profit general hospital providing a full range of services for the acute care of patients principally from Kent County, Rhode Island. Kent is affiliated with, and provides clinical training to, the students of the University of New England College of Osteopathic Medicine, and currently operates American Osteopathic Association approved residency programs in emergency medicine, family practice, internal medicine, and a fellowship program in hyperbaric medicine. Kent is accredited by TJC and the Commission on Accreditation of Rehabilitation Facilities. Toll Gate, a wholly owned subsidiary of Kent insures primary and excess hospital professional and general liability risks for the Hospital and its employees on an occurrence basis. Toll Gate insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' professional liability on both a claims-made and occurrence basis. Toll Gate also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' professional liability on both a claims-made and occurrence basis.

The mission of Women & Infants Corporation is to support Women & Infants Hospital of Rhode Island and all other affiliated organizations. The mission of Women & Infants Hospital of Rhode Island is to improve the health and well-being of women and infants, and to provide essential services regardless of ability to pay. WIH is a 247-bed, not-for-profit regional center for women and infants' care in Rhode Island and southern New England. Among other university affiliations, Women & Infants is the primary teaching affiliate of the Warren Alpert Medical School of Brown University in obstetrics, gynecology and newborn pediatrics along with related sub-specialty and internal medicine services. As a complement to its role in service and education, WIH actively supports research by members of its staff. WIH is accredited by TJC. W&I Indemnity is a wholly owned subsidiary of WIH. W&I Indemnity insures excess hospital professional liability risks for the Hospital and its employees on an occurrence basis, and excess hospital professional liability risks for the Care New England Health System solely to the extent not covered by commercial insurance purchased by Care New England, Butler, or Kent. W&I Indemnity insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' and residents' medical malpractice liability on an occurrence basis. W&I Indemnity also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' medical malpractice liability on both a claims-made and occurrence basis.

The mission of Kent County Visiting Nurse Association is to provide and administer a comprehensive, multidisciplinary, therapeutic, hospice, and public health nursing program. The Agency is a not-for-profit corporation, providing home care services to the residents of Rhode Island and nearby Massachusetts. Healthtouch, Inc. is a not-for-profit corporation providing private duty nursing and personal care services, primarily to residents of Rhode Island.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the reporting principles of not-for-profit accounting as defined by Not-for-Profit Entities and the American Institute of Certified Public Accountants ("AICPA") Audit and Accounting Guide for Health Care Organizations.

Use of Estimates
The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the areas of patient accounts receivable, accruals for settlements with third-party payors, incurred but not reported liabilities for medical, workers' compensation, and medical malpractice insurance, and other accrued expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
Care New England considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts whose use is limited by the Boards of Trustees (the "Boards") designation or other arrangements under trust agreements.

Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, other-than-temporary impairments in the value of securities, interest, and dividends) is included in the excess of revenues and gains over expenses unless the income or loss is restricted by donor or law.

Kent, WIH, Butler and the Agency follow the practice of pooling resources of unrestricted and restricted assets for long-term investment purposes. The investment pool is operated on the market value method whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry. Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool.

Alternative investments (nontraditional, not readily marketable holdings) include hedge funds. Alternative investment interests generally are structured such that the Health System holds a limited partnership interest. The Health System's ownership structure does not provide for control over the related investees, and the Health System's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment. There are no future funding commitments for alternative investments at September 30, 2012.

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt and equity securities, and interests in other alternative investments. The Health System may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products. Alternative investments often have liquidity restrictions under which the Health System's capital may be divested only at specified times. The Health System's liquidity restrictions may be up to 90 days for certain investments. Liquidity restrictions may apply to all or portions of a particular invested amount. The Health System's policy is to record its ownership interest in certain alternative investments of less than 5% at cost.

Financial information used by the Health System to evaluate its alternative investments is provided by the investment manager or general partner, and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not always coincide with the Health System's annual financial statement reporting.

There is uncertainty in the valuation for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, and time lags associated with reporting by investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

Income and realized net gains (losses) on investments of endowments and specific purpose funds are reported as follows:

- Increases (decreases) in permanently restricted net assets if the terms of the gift require that they be added to the principal of permanently restricted net assets;
- Increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or the income has not yet been appropriated; or
- Increases (decreases) in the unrestricted net assets in all other cases.

Assets Limited as to Use
Assets limited as to use primarily include endowment funds, assets held by trustees under indenture agreements and insurance programs, deferred compensation arrangements, and designated assets set aside by one or more of the Boards, over which the Boards retain control and may, at their discretion, subsequently use for other purposes. Amounts required to meet current obligations of the Hospitals have been reclassified to current assets.

Inventories
Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market. Inventories of $4,860,022 and $4,180,758 at September 30, 2012 and 2011, respectively are included in other current assets in the consolidated balance sheets.

Property and Equipment
Property and equipment acquisitions are recorded at cost. Donated property and equipment is recorded at fair value at the date of receipt. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Depreciation is recorded using the straight-line method based on the estimated useful life of each class of depreciable asset, as recommended by the American Hospital Association as follows:

Buildings and improvements	5 – 40 Years
Fixed and moveable equipment	3 – 20 Years

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support, and are excluded from the excess of revenues over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Assets recorded under capital leases are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the asset. Such amortization is included with depreciation and amortization expense in the consolidated statements of operations.

Upon retirement or sale of assets, the cost of assets disposed of and the related accumulated depreciation are eliminated and the related gains or losses are recognized in other revenue in the consolidated statements of operations.

Care New England evaluates the potential impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value of a group of assets may not be recoverable.

Pledges
Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made. Pledges receivable over a period greater than one year are stated at net present value. Pledges are recorded as additions to the appropriate net asset classification.

Deferred Financing Costs
Expenses related to issuance of bonds are deferred and amortized on a straight-line basis over the period during which the bonds are expected to be outstanding.

Self-Insurance Reserves
The reserves for self-insured programs are estimated based on actuarial studies and the Hospitals' and industry experience. The reserves include estimates of the ultimate cost for both reported claims and claims incurred but not yet reported. The Hospitals have established separate indemnification companies and trust funds for payment of certain self-insured claims including medical malpractice.

Care New England is self-insured for losses arising from workers' compensation claims. Loss reserves are estimated based on actuarial studies, and the Health System's and industry experience.

For the employees of the Hospitals and the Agency, Care New England is self-insured for losses arising from health insurance claims. Self-insured losses for both reported claims and claims incurred but not yet reported are estimated based on actuarial studies and the Health System's actual experience.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenues Over Expenses
The consolidated statements of operations and changes in net assets include excess of revenues and gains over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in the pension and postretirement liability.

Net Patient Service Revenue
The Hospitals and the Agency have individual agreements with many third-party payors that provide payments at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to such things as future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such adjustments.

Research Revenue
Research revenue includes revenue from federal, state, institutional and other sources for the purposes of funding research activities.

Other Revenue
Other revenue includes underwriting income, rental income, cafeteria sales, laboratory services provided to nonpatients, sales of home medical equipment, vendor rebates and discounts, various services provided to physicians and other organizations and gains or losses upon the retirement or sale of assets.

Charity Care
The Health System provides care to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue.

Contributions and Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date when the condition is satisfied. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Unrestricted contributions are reported net of direct fundraising expenses in the consolidated statements of operations.

Income Tax Status

Care New England, the Hospitals, the Agency, Healthtouch, Women & Infants Faculty Physicians, Inc., Women & Infants Corporation, Women & Infants Development Foundation, Palomar, and Kent Hospital Foundation are not-for-profit corporations, and have been recognized as tax exempt on related income pursuant to Section 501(c)(3) of the Internal Revenue Code. W&I Indemnity, Ltd. and Toll Gate Indemnity, Ltd. are foreign corporations with no material tax liability. Other affiliates are single-member limited liability companies which are treated as part of their sole member for tax purposes.

New Accounting Pronouncements

Measuring Charity Care for Disclosure

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-23 (ASU 2010-23), *Measuring Charity Care for Disclosure* that requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care. The Health System adopted the guidance on October 1, 2011, and the accompanying notes to the consolidated financial statements reflect the amended disclosure requirements. The cost of caring for charity care patients is disclosed in Note 4. This guidance amends disclosure requirements only; therefore, there was no impact to the Health System's consolidated financial statements upon adoption.

Presentation of Insurance Claims and Related Insurance Recoveries

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries,* which prohibits the offsetting of conditional or unconditional liabilities with anticipated insurance recoveries from third parties. The Health System adopted the new guidance on October 1, 2011. The adoption of the guidance did not have a significant impact on the consolidated financial statements.

Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts

In July 2011, the FASB issued ASU 2011-7, *Presentation and Disclosure of Patient Service Revenue, the Provision for Bad Debts, and Allowance for Doubtful Accounts.* This guidance requires the Health System to modify the presentation of its consolidated statements of operations and changes in net assets by reclassifying the provision for bad debts associated with patient revenue from an operating expense to a deduction from patient service revenue. Additionally, the guidance requires enhanced disclosure about the Health System's policies for recognizing revenue and assessing bad debts, patient service revenue (net of contractual allowances and discounts), and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Health System adopted the guidance on October 1, 2011.

Reclassifications

Certain items in the 2011 financial statements have been reclassified to conform to the current year presentation.

3. Revision to the 2011 Consolidated Financial Statements

The Health System has revised the September 30, 2011 consolidated financial statements to reflect the correction of an error related to the misapplication of accounting principles related to temporarily restricted net assets. As a result of this correction, the following adjustments have been made to the previously reported September 30, 2011 temporarily restricted net asset.

	As Reported	Adjustment	As Revised
Unrestricted net assets	$223,493,967	$ 20,577,610	$244,071,577
Temporarily restricted net assets	46,947,206	(20,577,610)	26,369,596

4. Uncompensated Care and Community Services

The Health System maintains records to identify and monitor the level of charity care and community services it provides, including the amount of charges forgone for services and the estimated cost incurred to provide those services. The revenues forgone and estimated costs and expenses incurred to provide charity care for the years ended September 30 are as follows:

	2012	2011
Revenues forgone, based on established rates	$ 36,846,051	$ 35,271,183
Expenses and costs incurred	14,376,362	14,554,470

Of the Health System's total expenses reported ($835,341,996 and $796,939,662 in 2012 and 2011, respectively), an estimated $14,376,362 and $14,554,470 arose during 2012 and 2011 respectively, from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to patients who qualify for charity care. The ratio of cost to charges is calculated based on total expenses (less bad debt expense) divided by gross patient service revenue. The Health System did not receive significant contributions that were restricted for the care of indigent patients during 2012 and 2011.

In addition to the above-mentioned medical care rendered, the Health System provides numerous other services free of charge to the community. These services include such things as transporting patients to the healthcare facilities, interpretation of medical information to various languages, volunteer services to other not-for-profit agencies, emergency and disaster relief services, various health, educational, research and teaching programs, healthcare screening services, therapeutic patient services, and provision of direct services to patients with multiple psychosocial needs.

	2012	2011
Approximated revenues forgone, or cost of the services provided to the community	$ 7,131,790	$ 7,397,062

The Health System also provides services to other indigent patients under the Medicaid/Rite Care Program, which reimburses healthcare providers at amounts which are less than the cost of services provided to the recipients.

In addition to the cost of charity care and other community service programs, the Health System provided $42,706,347 and $31,931,088 for uncollectible patient accounts during the years ended September 30, 2012 and 2011, respectively.

5. Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Health System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay a portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Health System's allowance for doubtful accounts for self-pay patients increased from 25.4% of net accounts receivable at September 30, 2011, to 26.7% of net accounts receivable at September 30, 2012. In addition, the Health System's self-pay charity and bad debt write-offs increased $7,154,000 from $63,285,000 for fiscal year 2011 to $70,439,000 for fiscal year 2012. Both increases were the result of increases in patients served who had no insurance coverage or who had higher co pays and/or deductibles than in the past. The largest increases were experienced at Kent where a significant increase in the number of patients treated in its emergency department also contributed to the increase in self-pay activity. The Health System has not changed its charity care or uninsured discount policies during fiscal years 2011 or 2012.

6. Pledges Receivable

Unconditional promises to give are recorded at present value as current and long-term assets based on expected time of collection. Future expected collections of these pledges as of September 30 are as follows:

	2012	2011
Within one year	$ 2,065,207	$ 2,195,890
One to five years	2,804,623	3,650,520
Beyond five years	19,324	6,305
	4,889,154	5,852,715
Less: Allowance for uncollectibles	(356,441)	(1,228,605)
Pledges receivable, net	$ 4,532,713	$ 4,624,110

RIDOH 0816

7. Summary of Investments

Investments at September 30 are summarized as follows:

	2012	2011
Securities, at market		
Cash and cash equivalents	$ 30,726,952	$ 29,229,814
Fixed income securities	77,989,608	74,757,990
Equity securities	43,582,040	52,244,843
Mutual funds	80,484,437	76,231,228
Auction rate securities	4,175,157	10,598,691
Alternative investments	57,514,333	35,591,407
Assets held under split - interest agreements	11,216,513	10,074,539
Cash surrender value of life insurance	29,333,583	28,590,839
	$335,022,623	$317,319,351

The cash surrender value of life insurance is included in Board-designated funds.

Investment return for the years ended September 30 consisted of the following:

	2012	2011
Interest and dividend income	$ 2,493,051	$ 2,862,928
Net realized gains on sales of investments	8,754,299	9,885,312
Net change in unrealized (losses) gains	13,239,205	(12,679,303)
	$ 24,486,555	$ 68,937
Included in operating revenue	$ 7,274,177	$ 9,502,082
Included in nonoperating revenue	17,212,378	(9,433,145)
	$ 24,486,555	$ 68,937

Care New England, the Hospitals, and the Agency routinely invest their surplus operating funds in various overnight repurchase agreements, money market funds, and fixed income U.S. agency bonds, which are classified as cash and cash equivalents.

Through its consolidated treasury management system, Care New England, on behalf of the Health System, has invested surplus operating cash in auction rate securities with varying maturity dates, which are backed by student loans. These loans are guaranteed for repayment by the federal government. During 2008, the auctions at which these securities were sold began to fail, requiring CNE to hold these securities indefinitely. However, payments of interest from the underlying loan pool remain current. As of September 30, 2012, these securities are recorded as long-term investments and as of September 30 2011, these securities are recorded as short-term and long-term investments in the consolidated balance sheets and Care New England has recorded an other-than-temporary impairment loss of $824,844 and $651,310, respectively, based on an independent valuation of the securities. During 2012, $6,250,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of $361,466. During 2011, $9,750,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of $548,825.

The summary of the current and long-term fair value of the auction rate securities is as follows:

	2012	2011
Current investments	$ -	$ 4,003,500
Long term investments	4,175,157	6,595,191
	$ 4,175,157	$ 10,598,691

8. Property, Plant and Equipment

A summary of property, plant and equipment at September 30 follows:

	2012	2011
Land and land improvements	$ 10,534,754	$ 10,409,078
Buildings and improvements	349,992,370	345,142,240
Moveable equipment	260,585,416	275,240,463
Total property, plant and equipment	621,112,540	630,791,781
Less: Accumulated depreciation and amortization	(381,298,883)	(382,282,204)
	239,813,657	248,509,577
Construction and projects in progress	9,973,632	2,285,966
Property, plant and equipment, net	$ 249,787,289	$ 250,795,543

Depreciation expense of property, plant and equipment amounted to $27,298,979 and $27,364,023 for the years ended September 30, 2012 and 2011, respectively.

Care New England had property, plant and equipment disposals of $608,919 and $3,119,556 with accumulated depreciation of $529,266 and $2,922,517 for the years ended September 30, 2012 and 2011, respectively. In addition, the Health System wrote off $27,753,034 of fully depreciated assets that were being tracked on the fixed asset register and determined to no longer be in service. The net book value was written off and reflected in the consolidated statements of operations.

During May 2010, Kent received a Certificate of Need approval from the Rhode Island Department of Health to construct and relocate its outpatient surgical suites on one floor of a two-story medical building being built on its campus by a private developer. The Certificate of Need also includes lobby renovations, the construction of a connector to the main hospital building, and the construction of a 10-bed short stay nursing unit in the vacated outpatient surgery space. The project will be funded through tax-exempt debt and philanthropic donations. Total estimated cost of the project is $15,000,000 and it is expected to be completed during fiscal 2013.

During November 2010, Butler received a Certificate of Need approval from the Rhode Island Department of Health to build a building that will house an updated Patient Assessment Service, and accommodate an increase in Butler's licensed bed complement of inpatient psychiatry beds by twenty-six. The building will be funded through tax-exempt debt, use of equity, and philanthropic donations. Total estimated cost of the new building is $19,126,000 and it is expected to be completed during calendar 2013.

As of September 30, 2012, the Health System estimated the total cost of completion of construction and projects in progress to be approximately $30,991,000. The funding to complete these projects will come from Board-designated funds, trustee-held funds, philanthropic donations and operating cash.

WIH leases land for its facility from Rhode Island Hospital ("RIH"), for a nominal annual payment, under a 99-year lease agreement which expires December 31, 2085.

Butler owns approximately 110 acres of land, which was purchased with donated funds in the mid-19th century. This land has a book value of one dollar.

In the late 1940s, Kent acquired 57 acres of land, which is recorded at the acquisition price of $90,165.

Conditional asset retirement obligations are recorded at $1,680,800 and $1,650,159 as of September 30, 2012 and 2011, respectively. These obligations are recorded in other noncurrent liabilities in the consolidated balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations. During 2012 and 2011, there were no significant retirement obligations incurred or settled. Accretion expense of $30,641 and $66,284 was recorded during the years ended September 30, 2012 and 2011, respectively.

9. Long-Term Debt and Capital Leases

A summary of long-term debt at September 30 is as follows:

	2012	2011
Variable rate $46,730,000 RIHEBC 2008 Series A bonds, final maturity in 2032	$ 40,275,000	$ 41,655,000
Variable rate $38,210,000 RIHEBC 2008 Series B bonds, final maturity in 2037	28,570,000	29,885,000
Fixed rate $12,000,000 RIHEBC 2010 Series bonds, final maturity in 2031	11,369,682	11,793,682
Fixed rate $16,000,000 RIHEBC 2011 Series bonds, final maturity in 2031	15,392,733	16,000,000
Term, $300,000 RIHEBC equipment note, final maturity in 2014	66,102	97,058
Term, $3,750,000 Bank of America mortgage note, final maturity in 2015	2,406,250	2,593,750
Term, $4,000,000 Time Insurance Company mortgage note, final maturity in 2027	3,578,380	3,671,380
Capital lease obligations	13,112,760	6,184,338
Total long-term debt and capital lease obligations	114,770,907	111,880,208
Less: Current portion of long-term debt and capital lease obligations	(6,393,013)	(5,913,883)
Long-term debt and capital lease obligations, excluding current portion	$108,377,894	$105,966,325

Rhode Island Health and Educational Building Corporation (RIHEBC) Bonds
In 2008, the Health System issued RIHEBC 2008 Series A variable rate bonds of $46,730,000. The bonds have mandatory sinking fund redemptions ranging from $1,430,000 in 2013 to $2,735,000 in 2032.

In 2008, the Health System issued RIHEBC 2008 Series B variable rate bonds of $38,210,000. The bonds have mandatory sinking fund redemptions ranging from $660,000 in 2013 to $1,810,000 in 2037.

The proceeds from the CNE 2008 Series A bonds were used to (1) refund the outstanding CNE 2002 Series A bonds, and (2) pay certain expenses related to the issuance of the CNE 2008 Series A bonds. The proceeds from the CNE 2008 Series B bonds were used to (1) defease a portion of the outstanding CNE 2002 Series B bonds, and (2) finance a portion of WIH's Certificated of Need project consisting of the construction, equipping, and furnishing of a five-story addition to WIH's existing hospital building, (3) finance a portion of routine capital improvements, and (4) pay certain expenses related to the issuance of the CNE 2008 Series B bonds. The CNE 2002 Series B bonds were defeased by depositing a portion of the proceeds of the CNE 2008 Series B bond proceeds and money contributed by the Obligated Group members, Butler, Kent, WIC and WIH in an account held by the trustee for the CNE 2002 Series B bonds to provide funds as and when necessary to pay the principal and interest on the CNE 2002 Series B bonds. The refunding trust had sufficient fixed income securities to meet the required payments on the outstanding balances, with final payment made on September 1, 2012.

The Series A and Series B bonds bear interest at a daily, weekly, or monthly rate, which is payable on the first business day of each month, and on maturity or redemption dates and the fixed rate conversion date. In no event will the interest rate borne by the bonds exceed 10% per annum. Since issuance in 2008, the bonds have borne weekly interest rate. CNE has pledged gross receipts backed by a bank letter of credit which expires on February 1, 2015. The bonds are subject to tender at the option of the owners thereof. To the extent the tendered bonds are not able to be remarketed, the letter of credit bank has committed to purchase the bonds. Amounts advanced by the bank to pay the purchase price on bonds being purchased and not reimbursed to the bank on the date of such drawing will be converted to a credit agreement loan and amortized over three years. CNE, Butler, Kent, WIC, and WIH are jointly and severally liable for repayment.

Under the terms of the Series A and Series B revenue bonds, CNE and the Hospitals are required to make periodic debt service payments with a trustee, which are included with assets limited as to use. The revenue bond indenture and letter of credit agreement also places limits on the incurrence of additional borrowings, and require that the Obligated Group satisfy certain measures of financial performance as long as the bonds are outstanding. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

In 2010, the Health System issued RIHEBC 2010 Series fixed rate bonds of $12,000,000. The bonds have mandatory sinking fund redemptions ranging from $439,618 in 2013 to $813,065 in 2030, with a final payment of $417,695 in 2031. These bonds were issued as Direct Purchase Tax Exempt Bank qualified bonds. The bonds bear a fixed interest rate of 3.65% through December, 2017 with 3 year optional tenders through December, 2030. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used by Kent to finance (i) the renovation, equipping and furnishing of existing hospital space to house a ten (10) bed short stay unit: (ii) the construction, equipping and furnishing of a 30,000 square foot ambulatory surgical center with a connection to Kent's existing hospital building and (iii) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of $9,123,660 are included in trustee-held funds in the consolidated balance sheet at September 30, 2012. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

In 2011, the Health System issued RIHEBC 2011 Series fixed rate bonds of $16,000,000. The bonds have mandatory sinking fund redemptions ranging from $612,216 in 2013 to $1,044,574 in 2031. These bonds were issued as unrated private placement tax exempt bonds. The bonds bear a fixed interest rate of 2.99% through July 31, 2018. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used to finance (i) the construction, equipping and furnishing of a 32,000 square foot addition of Butler's existing hospital facility; (ii) refinancing of the Bank of Rhode Island mortgage held by WIC; (iii) refinancing of certain capital leases; (iv) purchase of capital equipment; (v) capitalized interest and (vi) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of $8,061,841 are included in trustee-held funds in the consolidated balance sheet at September 30, 2012. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

Rhode Island Health and Educational Building Corporation Notes

In 2004, the Health System entered into a $300,000 RIHEBC Equipment Note due July 1, 2004 through June 1, 2014. Monthly interest and principal installments of $3,141 are due at a fixed interest rate of 4.72%. The note is collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.

Bank Mortgage Notes

In 2005, the Health System entered into a $3,750,000 mortgage note with Bank of America due August 2005 through July 2015. Interest and principal installments of $33,837 on August 1, 2005 to $24,883 on June 1, 2015 are due monthly, with a final payment of $1,899,215 due June 2015, at a fixed interest rate of 5.64%. The note is collateralized by the real estate purchased. The Health System is required to comply with certain debt covenants under the note agreement, including a minimum debt service coverage ratio of 1.25 to 1. The Health System has been, and remains, compliant with these terms.

In 2007, the Health System entered into a $4,000,000 mortgage note with Time Insurance Company due October 2007 through September 2027. Interest and principal installments of $25,261 are due monthly, with a final payment of $1,338,527 due September 2027, at a fixed interest rate of 5.79%. The note is collateralized by the real estate purchased.

Interest Rate Swaps

CNE maintains interest rate swap programs on certain of its 2008 Series A and B variable rate revenue bonds. These bonds expose the Health System to variability in interest payments due to changes in interest rates. The Health System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These agreements involve the exchange of fixed rate payments by CNE for variable rate payments from counterparties, based on the Securities Industry and Financial Markets Association (SIFMA) Index.

In 2004, CNE entered into an interest rate swap agreement with Bank of America Investments, effectively converting the $50,000,000 RIHEBC CNE 2002 Series A variable rate debt to a fixed rate of 2.99% for the period of October 1, 2005 through August 1, 2011.

As part of the 2008 Series A & B refinancing, CNE (1) maintained the interest rate swap agreement that was entered into in 2004 with Bank of America Investments which effectively converted $45,400,000 of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 3.02% for the period of February 1, 2008 through August 1, 2011. The notional amount of the swap at September 30, 2010 was $42,860,000, (2) entered into an interest rate swap agreement with Deutsche Bank Group which effectively converts all of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 4.216% for the period of August 1, 2011 through July 1, 2032. The notional amount of the swap at September 30, 2012 and 2011 was $40,275,000 and $41,655,000, respectively, and (3) entered into an interest rate swap agreement with Morgan Stanley Capital Services which effectively converts all of the RIHEBC CNE 2008 Series B variable rate bonds to a fixed rate of 3.857% for the period of February 1, 2008 through August 31, 2037. The notional amount of the swap at September 30, 2012 and 2011 was $28,570,000 and $29,885,000, respectively.

The Health System uses the interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates. The interest rate swap agreements meet the definition of derivative instruments. However, the change in the market value and cash flow impact of the derivative instruments are accounted for as a nonoperating activity. The swaps, while serving as an economic hedge, do not qualify as an accounting hedge.

The following table summarizes the 2008 Series A and B debt activity for the fiscal years ended September 30:

	2012	2011
Debt outstanding		
October 1 – August 31	$ 71,540,000	$ 74,500,000
September 1 – September 30	$ 68,845,000	$ 71,540,000
Weighted-average bonds outstanding	$ 71,315,417	$ 74,253,333
Interest payments to bondholders plus letter of credit fees paid to bank	$ 357,773	$ 443,848
Net cash payments on interest rate swaps	2,790,916	2,463,050
	$ 3,148,689	$ 2,906,898
Effective interest rate	4.42 %	3.91 %
Market value of swap agreements at September 30	$ (13,629,389)	$ (11,356,534)
Change in market value of swap agreements	$ (2,272,855)	$ (1,539,686)

Scheduled principal repayments on long-term debt are as follows for the years ended September 30:

2013	$ 3,454,768
2014	3,573,635
2015	5,508,585
2016	3,598,782
2017	3,735,978
Thereafter	81,786,399
	$ 101,658,147

Care New England had available $15,000,000 from October 1, 2010 through August 12, 2011 and December 29, 2011 through September 30, 2012 through a line of credit with a financial institution. There were no outstanding balances on the line of credit as of September 30, 2012 and 2011.

The Hospitals classify certain noncancelable leases as capital leases, and include the property under lease in their property and equipment. Amortization expense for these assets is included in depreciation and amortization expenses in the consolidated statements of operations and changes in net assets. Ownership of the leased property converts to the Hospitals at the end of the lease term. Assets and related accumulated depreciation under the capital leases are included in property, plant and equipment (Note 8).

RIDOH 0823

Future minimum lease payments due under capital lease arrangements are as follows:

2013	$ 3,191,638
2014	2,604,613
2015	2,011,869
2016	1,511,533
2017	1,509,123
Thereafter	3,018,248
Total minimum lease payments	13,847,024
Less: Amount representing interest	734,264
Capital lease obligations at September 30, 2012	$ 13,112,760

10. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2012	2011
Healthcare services	$ 4,664,831	$ 3,815,689
Healthcare research	108,698	63,369
General purposes	8,317,602	7,306,745
Indigent care	2,845,711	2,483,848
Health education	2,039,599	1,945,865
Plant replacement and expansion	10,347,455	6,547,723
Endowment	4,320,036	3,254,498
Other	1,397,406	951,859
Total temporarily restricted net assets	$ 34,041,338	$ 26,369,596

Permanently restricted net assets at September 30 are restricted investments to be held in perpetuity.

	2012	2011
Plant replacement and expansion	$ 11,216,513	$ 10,074,539
Indigent care	874,506	877,018
General purposes	1,603,479	1,603,481
Research	539,628	560,279
Healthcare services	4,081,187	4,007,497
Health education	1,027,487	1,013,514
Total permanently restricted net assets	$ 19,342,800	$ 18,136,328

RIDOH 0824

The Health System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 as they relate to its permanently restricted endowments. The Health System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System classifies restricted donor funds in accordance with the laws of the State of Rhode Island and generally accepted accounting principles. The Health System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the Health System and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Health System.

For the year ended September 30, 2012, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 16,702,976	$ 8,061,789	$ 24,764,765
Investment return			
Investment income	505,468	523	505,991
Net appreciation (realized and unrealized)	3,240,794	-	3,240,794
Total investment return	3,746,262	523	3,746,785
Contributions	(14,258)	63,975	49,717
Appropriation of endowment assets for expenditure	(499,107)	-	(499,107)
Endowment net assets at end of year	$ 19,935,873	$ 8,126,287	$ 28,062,160

For the year ended September 30, 2011, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 17,801,565	$ 7,957,205	$ 25,758,770
Investment return			
Investment income	333,250	504	333,754
Net appreciation (realized and unrealized)	(1,066,399)	-	(1,066,399)
Total investment return	(733,149)	504	(732,645)
Contributions	(37,149)	104,080	66,931
Appropriation of endowment assets for expenditure	(328,291)	-	(328,291)
Endowment net assets at end of year	$ 16,702,976	$ 8,061,789	$ 24,764,765

In addition to permanently restricted endowments, Kent is an income beneficiary of various trusts. On September 30, 2012 and 2011, the market value of the trust assets, which are recorded as permanently restricted net assets, totaled $11,216,513 and $10,074,539, respectively. Distributions of income are made at the discretion of the trustees.

It is the policy of the Health System that any appropriations from the appreciation in endowment funds are periodically requested of and approved by the Board of Trustees.

The Board have responsibility for formulating investment policy. The investment policy is to invest in a conservative asset portfolio with minimal investment risk. Certain funds are included in a consolidated long term investment pool and invested in accordance with the investment strategy, authorized by the Boards.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are immaterial as of September 30, 2012 and 2011. These deficiencies resulted from unfavorable market fluctuations. The individual donor-restricted endowment funds with deficiencies will retain future income and appreciation to restore the required fair value of the assets.

During fiscal 2012 and 2011, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2012	2011
Healthcare services	$ 1,234,809	$ 1,541,279
Healthcare research	2,693	18,205
Plant replacement and expansion	2,033,732	3,419,281
Other	1,112,625	1,046,630
Health education	127,886	282,197
Indigent care	101,943	107,075
Total net assets released from restrictions	$ 4,613,688	$ 6,414,667

RIDOH 0826

11. Retirement Plans

The Health System has two separate pension plans. One plan covers the employees of CNE and the Hospitals, with the exception of the unionized employees of WIH (who are covered under a multiemployer union plan) and certain WIH-employed physicians. The other plan covers the employees of the Agency.

Care New England Pension Plan
The Care New England Pension Plan (the "Plan"), established on October 1, 1998, is a defined benefit cash balance plan that covers all of the employees of CNE, and all of the Hospitals' employees, with the exception of the unionized employees and certain employed physicians at WIH. The benefits for the unionized employees at Butler are computed under a separate formula that was in effect when the Butler plan was a standalone noncontributory defined benefit plan. The Hospitals incur and fund their respective pension plan expenses within the guidelines established by the Employee Retirement Income Security Act of 1974.

The Care New England Board of Trustees voted, on September 23, 2010, to freeze the Plan effective December 31, 2010 for all employees with the exception of the Butler unionized employees. Effective December 31, 2010, compensation paid to a participant shall be disregarded for plan purposes, except for purposes related to determining benefits for the unionized employees at Butler. In addition, a participant's cash balance account will only increase annually for interest credit. In connection with the Plan freeze, the Health System enhanced contributions to the Care New England 403(b) Match and Savings Plan.

Included in cumulative changes in unrestricted net assets at September 30, 2012 that has not yet been recognized in net periodic pension cost is an actuarial loss of $81,856,881. Included in changes in unrestricted net assets at September 30, 2011 that has not yet been recognized in net periodic pension cost is an actuarial loss of $70,950,846.

The actuarial loss included as cumulative changes in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2013 is $1,777,022.

Net periodic pension cost includes the following components at September 30:

	2012	2011
Service cost	$ 1,866,870	$ 4,078,458
Interest cost	10,681,494	11,114,337
Expected return on plan assets	(13,033,563)	(13,523,703)
Amortization of loss	1,471,248	1,012,569
Net periodic pension expenses	$ 986,049	$ 2,681,661

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2012	2011
Discount rate	5.03 %	5.26 %
Expected return on assets	7.75	7.75
Rate of compensation increase	4.00	4.00

The following table presents a reconciliation of the beginning and ending balances of the plan projected benefit obligations, fair value of plan assets, funded status, and accumulated other comprehensive income (AOCI) of the plan as of September 30:

	2012	2011
Changes in benefit obligations		
Projected benefit obligations at beginning of year	$221,054,222	$216,299,180
Service cost	1,866,870	4,078,458
Interest cost	10,681,494	11,114,337
Actuarial loss	24,371,104	4,380,881
Benefits and expenses paid	(12,319,565)	(14,818,634)
Projected benefit obligations at end of year	$245,654,125	$221,054,222
Changes in plan assets		
Fair value of plan assets at beginning of period	$ 169,224,897	$ 170,770,388
Actual return on plan assets	25,027,384	(2,051,857)
Employer contributions	9,500,000	15,325,000
Benefits and expenses paid	(12,319,565)	(14,818,634)
Fair value of plan assets at end of period	$ 191,432,716	$ 169,224,897
Funded status		
Total pension liability	$ (54,221,409)	$ (51,829,325)
Accumulated benefit obligation	243,129,449	218,932,069
Amounts recognized in unrestricted net assets		
Unrestricted net assets at beginning of period	$ 70,950,846	$ 52,006,974
Less amounts amortized during the year		
Net loss	1,471,248	1,012,569
Plus amounts occurring during the year		
Net loss	12,377,283	19,956,441
Unrestricted net assets at end of period	$ 81,856,881	$ 70,950,846

The assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2012	2011
Discount rate	3.80 %	5.03 %
Rate of compensation increase	4.00 %	4.00 %

RIDOH 0828

Plan Assets
The Plan's investment objectives are to achieve long-term growth in excess of inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets. In order to minimize risk, the Plan attempts to minimize the variability in yearly returns. The Plan diversifies its holdings among sectors, industries, and companies. No more than 6% of the Plan's portfolio (measured on market value) may be held in an individual company's stocks or bonds.

To develop the expected long-term rate of return on plan assets assumption, the Health System considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The Health System's pension plan asset allocations (based on market value) at September 30, by asset category, are as follows:

	Target Allocation	Actual 2012	Actual 2011
Asset category			
Alternative investments	18 %	25 %	26 %
Fixed income securities	26	28	24
Equity securities	56	47	50
	100 %	100 %	100 %

Contributions
The Health System contributed $9,500,000 and $15,325,000 to the Plan in 2012 and 2011, respectively. The Health System expects to contribute $6,000,000 to the Plan in 2013.

Estimated Future Benefit Payments
The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Pension Benefits
2013	$ 17,860,000
2014	15,535,000
2015	15,380,000
2016	15,433,000
2017	15,990,000
Years 2018–2021	82,637,000

Care New England 403(b) Match and Savings Plan
Effective January 1, 2009, the Pension Plan Protection legislation resulted in regulatory changes which discontinued the matching credits to the participants that were previously recorded in the CNE Pension Plan. As a result, CNE established the Care New England 403(b) Plan to account for future matching credits. The plan covers employees that meet certain eligibility requirements. Additionally, effective January 1, 2011, in connection with the freeze of the Care New England Pension Plan, the Health System also provides a nonelective contribution to participant accounts, as defined in the Plan document. Nonelective contributions are allocated to each eligible participant based on a percentage of salary, a combination of the recipients age and years of service, and are credited to each such participant as of the first day of the Plan year, as further described in the Plan document.

The Health System recorded an expense of $12,736,528 and $8,941,660 for the nonelective contribution to participant accounts for the fiscal years that ended September 30, 2012 and 2011, respectively. In addition, the Health System recorded an expense of $3,216,389 and $2,904,069 for matching credits for fiscal years ended September 30, 2012 and 2011, respectively. The Health System will fund the 2012 expense in calendar year 2013 and funded the 2011 expense in calendar year 2012.

WIH Union Plan
Payments to a multiemployer pension plan covering union employees at WIH for the years ended September 30, 2012 and 2011 were $8,150,291 and $7,766,513, respectively.

Kent County Visiting Nurse Association Pension Plan
The Agency has a noncontributory defined benefit pension plan covering all employees who have satisfied certain eligibility requirements that was frozen effective December 31, 2007, and replaced with a contributory retirement savings plan. Benefits under the defined benefit plan were based on years of service and employee's compensation levels.

Included in the charge to net assets at September 30, 2012 and 2011 is an unrecognized actuarial loss of $3,580,493 and $3,303,783, respectively. The actuarial loss expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2013 is $307,193.

The Agency's pension expense was $262,262 in 2012 and $187,497 in 2011.

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2012	2011
Discount rate	4.75 %	5.00 %
Expected return on assets	7.50 %	7.50 %
Rate of compensation increase	N/A	N/A

The assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2012	2011
Discount rate	3.94 %	4.75 %
Rate of compensation increase	N/A	N/A

To develop the expected long-term rate of return on plan assets assumption, the Agency considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Plan assets, valued at fair value, consist of 3% cash and cash equivalents and 97% mutual funds. The fair value of the Plan assets were $6,459,055 and $5,466,732 at September 30, 2012 and 2011, respectively.

The Agency made required contributions to the Plan of $266,294 and $308,354 in 2012 and 2011, respectively. The Agency is expected to make $227,221 in contributions to the Plan during 2013. Benefit payments are expected to be paid as follows:

Fiscal Year	Pension Benefits
2013	$ 243,000
2014	253,000
2015	298,000
2016	325,000
2017	384,000
Years 2018–2021	2,611,000

Effective January 1, 2008, the Agency established a 403(b) Retirement Savings Plan that covers employees who have met certain eligibility requirements. Discretionary contributions to the plan are based on years of service and compensation levels. For the fiscal years that ended September 30, 2012 and 2011, respectively, the Agency recorded an expense of $256,171 and $244,703.

12. Postretirement Plans

Kent sponsors an unfunded noncontributory defined benefit postretirement plan that provides medical and dental benefits to certain salaried and nonsalaried employees. In 1996, Kent amended the plans to eliminate benefits for all employees, except for certain employees with at least 25 years of service at that date.

Included in the charge to net assets are the following amounts that have not yet been recognized in net periodic postretirement benefit cost as of September 30, 2012 and 2011, respectively: unrecognized net transition obligation of $257,750 and $354,751 and unrecognized actuarial loss of $232,036 and $192,355. The unrecognized net transition obligation and actuarial loss expected to be recognized in net periodic postretirement costs during the fiscal year ended September 30, 2013 are $97,000 and $4,244, respectively.

The postretirement benefit cost for these plans was $181,839 in 2012 and $206,032 in 2011.

13. Patient Service Revenue

For the majority of the System's revenue, the Hospitals and the Agency have agreements with third-party payors that provide for payments to the Hospitals and the Agency at amounts different from their established rates. At the time of rendering service to the patients, the Hospitals and the Agency obtain assignment of benefits payable under the patient's health insurance program, plan, or policy (e.g., Medicaid, Blue Cross, health maintenance organizations, commercial insurance, Medicare, and others). The following is a breakdown of gross patient service revenue by payor type for the years ended September 30:

	2012	2011
Medicare and Medicare Managed Care	32 %	32 %
Medicaid and Medicaid Managed Care	21	20
Blue Cross	24	26
Managed care	11	11
Self-pay	5	4
Other third-party payors	7	7
	100 %	100 %

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there will always be a possibility that the recorded estimates of net revenue could change by a significant amount in the future. The Hospitals and the Agency believe they are in compliance with all applicable laws and regulations. Cost reports filed annually with third-party payors are subject to audit prior to final settlement. The Hospitals and the Agency are compliant with all reimbursement filings. A summary of cost report activity as of September 30, 2012 is as follows:

Medicare
Cost reports for the Hospitals and the Agency have been filed through 2011, and settled through 2011 for the Agency, 2008 for Butler, and 2006 for Kent and WIH.

State of Rhode Island (Medicaid)
Cost reports have been filed through 2010, and settled through 2006 for Butler, Kent and WIH. The implementation of a prospective payment system eliminated the need for Medicaid settlements after fiscal year 2010.

The filing of these cost reports and associated settlements require the use of estimates. Net patient service revenue was increased by approximately $200,000 and $3,300,000 in 2012 and 2011, respectively, to reflect the changes in the estimated settlements for certain prior years.

The Health System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Health System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health System records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), for the years ended September 30, 2012 and 2011 is summarized as follows:

	2012	2011
Patient service revenue (net of contractual allowances and discounts)		
Third-party payors	$764,152,967	$720,608,442
Self-pay	40,405,117	34,437,650
Total All Payors	$804,558,084	$755,046,092

14. Disproportionate Share

The government has long recognized the financial burdens which are borne by hospitals which serve an unusually large number, or "disproportionate share", of low-income patients. Kent and WIH received disproportionate share payments of $33,014,520 and $27,734,289 from the State of Rhode Island's Medicaid program for the years ended September 30, 2012 and 2011, respectively. Kent and WIH also recorded disproportionate share payments of $4,137,338 and $4,936,177 from Medicare during 2012 and 2011, respectively.

15. Concentration of Credit Risk

As of September 30, 2012 and 2011, Care New England, the Hospitals, and the Agency had cash and cash equivalents in excess of Federal Depository Insurance limits at major financial institutions. These financial institutions have a strong credit rating, and management believes that credit risks related to these deposits are minimal.

The Hospitals and the Agency receive a significant portion of its payment for services rendered from a limited number of governmental and commercial third-party payors, including Medicare, Medicaid, and Blue Cross. The organization has not historically incurred any significant concentrated credit losses in the normal course of business.

RIDOH 0833

In addition, the organizations routinely grant credit to patients without requiring collateral or other security. The mix of receivables, net of contractual allowances, from patients and third-party payors at September 30, 2012 and 2011, was as follows:

	2012	2011
Medicare and Medicare Managed Care	13 %	12 %
Medicaid and Medicaid Managed Care	13	18
Blue Cross	20	18
Managed care	12	14
Self-pay	27	23
Other third-party payors	15	15
	100 %	100 %

The Health System provides an allowance for doubtful accounts to address the risks of nonpayment of accounts receivable.

16. Commitments and Contingencies

Operating Leases

Care New England, the Hospitals, and the Agency have entered into operating lease agreements with several vendors for the lease of certain equipment and office space. Future minimum lease payments under noncancelable operating leases as of September 30, 2012 are:

2013	$ 5,525,000
2014	4,683,772
2015	3,770,024
2016	3,510,245
2017	3,632,359
Later years	37,056,002
Total minimum lease payments	$ 58,177,402

Total rent expense for operating leases for the years ended September 30, 2012 and 2011 amounted to $6,235,788 and $5,942,924, respectively.

Butler has entered into several agreements with various parties, mostly nonprofit organizations, to lease space on the Butler campus. Rental income in the amount of $3,033,054 and $3,007,056 for the fiscal years ending September 30, 2012 and 2011, respectively, is included in other operating revenues in the consolidated statements of operations.

Litigation

CNE, the Affiliates, and the Agency have been individually named as codefendants in several complaints. It is the opinion of management that the liability, if any, to CNE, the Affiliates, and the Agency in excess of insurance coverage will have no material adverse effect on the consolidated financial position of Care New England.

Collective Bargaining Agreements
At September 30, 2012, approximately 41% of the Health System's employees were covered by collective bargaining agreements. The collective bargaining agreement covering 41% of Butler's employees will expire on March 29, 2013, and be subject to negotiation. The remaining bargaining agreements will be in effect through fiscal 2013.

17. Professional and General Liability Claims

Due to strategic and economic issues, as well as the potential for limited availability of commercial insurance policies, the Care New England entities have moved over time to covering the majority of their professional and general liability insurance to self-insured approaches. The adequacy of the coverage provided, reserves, and the funding levels are evaluated annually by independent actuaries who review the soundness of the programs and recommend future funding levels. Potential losses are estimated based on industry as well as entity experience, and a provision for these losses is recorded.

Butler annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage. Butler's professional liability coverage for claims in excess of its primary coverage limits is provided by W&I Indemnity.

Kent Hospital established Toll Gate Indemnity in 2004, as an off-shore captive insurance entity to insure primary and excess hospital professional and general liability risks, as well as to supply indemnification coverage for certain eligible medical staff.

WIH annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage.

In addition to the trust fund, WIH established W&I Indemnity in 1994, as an off-shore captive insurance entity to provide coverage for claims in excess of its underlying policy, as well as to insure the contractual liability arising from indemnification agreements with certain eligible medical staff.

The provisions for anticipated losses were based upon expected undiscounted values. Trust fund and captive assets are available for the payment of claims.

CNE Wellness Centers, LLC and the Agency purchase general and professional liability insurance from Toll Gate Indemnity.

18. Other Self-Insurance Reserves

Care New England has established a workers' compensation trust fund to cover all past and future self-insured claims of workers' compensation activity for CNE, the Hospitals, and the Agency. The reserve for workers' compensation losses is based on an actuarial study and actual experience. At September 30, 2012 and 2011, the amounts accrued for estimated self-insurance costs have not been discounted.

CNE, on behalf of itself, the Hospitals, and the Agency, has entered into a self-insurance program for health insurance risks. This program covers the health insurance claims for all of CNE's, the Hospitals', and the Agency's employees, with the exception of the unionized employees at WIH. The provisions for health insurance losses are based on actuarial assumptions and actual claims experience.

19. Affiliation With Rhode Island Hospital

In 1981, RIH and WIH approved an agreement providing for the affiliation of the two Hospitals. The affiliation agreement provides for a program of shared medical services, thereby greatly increasing the scope of comprehensive acute-care services available to WIH in maternal, gynecological, and neonatal care. In accordance with the agreement, the Hospital relocated to the property of RIH.

20. Affiliation With Accredited Medical Schools

Butler and WIH are affiliated with the Warren Alpert Medical School of Brown University. The affiliation agreements provide that Butler and WIH will be the principal academic medical centers for psychiatry and healthcare unique to women and newborns, respectively. Kent is affiliated with the University of New England College of Osteopathic Medicine.

21. Functional Expenses

CNE provides healthcare services to residents within their geographic service areas. Expenses related to providing these services for the years ended September 30 are as follows:

	2012	2011
Healthcare services	$661,186,079	$628,362,863
General and administrative	174,155,917	168,576,799
	$835,341,996	$796,939,662

22. Fair Value of Financial Instruments

The Health System calculates fair value defined in ASC Topic 820 to value its financial assets and liabilities, where applicable. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. Topic 820 applies to other accounting pronouncements that require or permit fair value measurements, and does not require new fair value measurements. Fair value measurements, are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3 Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Health System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers nonperformance risk in its assessment of fair value.

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Fair value for Level 3 is based upon unobservable inputs for the asset (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset (including assumptions about risk).

The Health System's ownership in alternative investments is limited partnership interests in private equity funds. The value of certain alternative investments represents the ownership interest in the Net Asset Value (NAV) of the respective partnership. The NAV of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities related. The Health System has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of September 30.

The fair value of interest rate swap agreements is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, treasury yields, and credit spreads.

RIDOH 0837

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2012 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 26,297,412	$ 4,429,540	$ -	$ 30,726,952
Fixed income securities	38,628,640	39,360,968	-	77,989,608
Equity securities	43,582,040	-	-	43,582,040
Alternative investments	-	23,403,645	24,844,790	48,248,435
Auction rate securities	-	-	4,175,157	4,175,157
Mutual funds	20,309,265	60,175,172	-	80,484,437
Total investments	128,817,357	127,369,325	29,019,947	285,206,629
Assets held under split-interest agreements	5,542,603	5,673,910	-	11,216,513
Total assets	$ 134,359,960	$ 133,043,235	$ 29,019,947	$ 296,423,142
Liabilities				
Interest rate swap agreements	$ -	$ (13,629,389)	$ -	$ (13,629,389)

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2011 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 26,816,133	$ 2,413,681	$ -	$ 29,229,814
Fixed income securities	44,166,078	30,501,011	90,901	74,757,990
Equity securities	52,221,158	-	23,685	52,244,843
Alternative investments	-	16,107,216	13,713,965	29,821,181
Auction rate securities	-	-	10,598,691	10,598,691
Mutual funds	22,736,865	53,494,363	-	76,231,228
Total investments	145,940,234	102,516,271	24,427,242	272,883,747
Assets held under split-interest agreements	10,074,539	-	-	10,074,539
Total assets	$ 156,014,773	$ 102,516,271	$ 24,427,242	$ 282,958,286
Liabilities				
Interest rate swap agreements	$ -	$ (11,356,534)	$ -	$ (11,356,534)

The amounts reported in the financial instruments table exclude certain alternative investments valued at approximately $9,265,898 as of September 30, 2012 and $5,770,226 as of September 30, 2011, which are valued at cost (Notes 2 and 7) and the values of life insurance policies valued at $29,333,583 as of September 30, 2012 and $28,590,839 as of September 30, 2011, which are valued at the lesser of discounted value or cash surrender value.

RIDOH 0838

Financial instruments carried at fair value for assets invested in the Defined Benefit Pension Plan as of September 30, 2012 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 7,262,893	$ 2,178	$ -	$ 7,265,071
Fixed income securities	27,512,181	-	-	27,512,181
Equity securities	17,242,890	-	-	17,242,890
Alternative investments	-	38,378,495	101,034,079	139,412,574
	$ 52,017,964	$ 38,380,673	$ 101,034,079	$ 191,432,716

Financial instruments carried at fair value for the Defined Benefit Pension Plan assets as of September 30, 2011 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 4,844,943	$ 1,026	$ -	$ 4,845,969
Fixed income securities	25,899,100	-	-	25,899,100
Equity securities	19,023,296	-	-	19,023,296
Alternative investments	-	41,611,960	77,844,572	119,456,532
	$ 49,767,339	$ 41,612,986	$ 77,844,572	$ 169,224,897

During the years ended September 30, 2012 and 2011, respectively, the changes in the fair value for the System's financial instruments in the nonpension plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Fixed Income Securities	Equity Securities	Alternative Investments	Auction Rate Securities	Total Investments
Fair value at October 1, 2011	$ 90,901	$ 23,685	$ 13,713,965	$ 10,598,691	$ 24,427,242
Total gains (losses)					
Dividends and interest income	-	-	61,817	-	61,817
Net realized gains on investments	-	-	174,047	361,466	535,513
Change in net unrealized appreciation on investments	-	-	1,993,449	(535,000)	1,458,449
Purchases	-	-	14,258,095	-	14,258,095
Sales	-	-	(5,356,583)	(6,250,000)	(11,606,583)
Transfers in and/or out of Level 3	(90,901)	(23,685)	-	-	(114,586)
Fair value at September 30, 2012	$ -	$ -	$ 24,844,790	$ 4,175,157	$ 29,019,947

RIDOH 0839

	Fixed Income Securities	Equity Securities	Alternative Investments	Auction Rate Securities	Total Investments
Fair value at October 1, 2010	$ -	$ 87,912	$14,528,650	$19,817,913	$34,434,475
Total gains (losses)					
Dividends and interest income	3,235	606	236,514	-	240,355
Net realized gains on investments	-	-	339,441	548,826	888,267
Change in net unrealized appreciation on investments	1,123	(6,153)	(2,689,188)	(18,048)	(2,712,266)
Purchases	-	14,976	9,900,000	-	9,914,976
Sales	(28,883)	(15,456)	(10,918,332)	(9,750,000)	(20,712,671)
Transfers in and/or out of Level 3	115,426	(58,200)	2,316,880	-	2,374,106
Fair value at September 30, 2011	$ 90,901	$ 23,685	$13,713,965	$10,598,691	$24,427,242

During the year ended September 30, 2012 and 2011, the changes in the fair value for the System's financial instruments invested in the System's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	2012	2011
Balance at beginning of year	$ 77,844,572	$ 66,321,707
Total gains (losses)		
Dividends and interest income	775,356	341,450
Net Realized gains on investments	24,818	5,672,999
Change in net unrealized appreciation on investments	8,067,102	(7,099,511)
Purchases	18,600,000	25,848,927
Sales	(4,277,769)	(13,241,000)
Balance at end of year	$101,034,079	$ 77,844,572

The Health System uses NAV to determine the fair value of its investments which do not have a readily determinable fair market value. The following table summarizes the key provisions for the Health System's nonpension plan investments as of September 30, 2012, which are valued at NAV. There were no outstanding unfunded commitments at September 30, 2012.

	Net Asset Value	Redemption Terms
Fixed Income	$ 4,046,142	Bi-monthly upon 30 day prior written notice.
Common Collective Trust	2,880,046	Monthly upon 30 day prior written notice.
Common Collective Trust	3,885,091	Bi-monthly upon 5 day prior written notice.
Common Collective Trust	4,319,792	Monthly upon 10 day prior written notice.
International Equity	11,275,824	First day of each month.
Absolute Return	8,927,528	Bi-monthly upon 5 day prior written notice.
Hedge Fund Alternative Investments	5,882,195	End of each quarter with 90 day prior written notice.
Common Collective Trust	3,471,524	First day of each month.
Common Collective Trust	5,304,373	Daily with a minimum of $25,000 upon written notification by 3PM EST.
Global Asset Allocation	5,264,722	Daily upon 5 day prior written notice.
	$ 55,257,237	

The following methods and assumptions were used in estimating the fair value of financial instruments other than investments:

Accounts Payable and Accrued Expenses
The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated Third-Party Payor Settlements
The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.

Long-Term Debt
The Health System's long-term debt obligations are reported in the accompanying statements of financial position at principal value less unamortized discount or premium, which totaled approximately $102 million at September 30, 2012, excluding capital leases. The estimated fair value of the Health System's long-term debt as of September 30, 2012 approximated its carrying value.

23. Affiliation Agreement With Memorial Hospital of Rhode Island

In September 2012, Care New England Health System and Memorial Hospital of Rhode Island entered into a letter of intent for a potential transaction in which Memorial Hospital of Rhode Island would become a part of the health system operated by Care New England. Care New England and Memorial Hospital are currently engaged in due diligence and the negotiation of a definitive agreement.

24. Subsequent Event

Care New England Health System has assessed the impact of subsequent events through December 21, 2012, the date the audited financial statements were issued and has concluded that there were no such events that require adjustments to the audited financial statements or disclosure in the notes to the audited financial statements.

RIDOH 0842

Supplementary Consolidating Financial Statements

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2012

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 14,055,663	$ (9,212,629)	$ 65,049,075	$ (1,893,792)	$ (5,163,890)	$ -	$ 62,834,427
Investments	-	-	-	25,919,112	-	-	25,919,112
Patient accounts receivable	7,098,474	65,013,709	57,406,711	-	2,399,959	-	131,918,853
Less: Allowance for doubtful accounts	(1,351,601)	(22,362,370)	(11,187,392)	-	(332,544)	-	(35,233,907)
Net patient accounts receivable	5,746,873	42,651,339	46,219,319	-	2,067,415	-	96,684,946
Other receivables	4,590,032	5,350,650	11,514,027	164,484	153,038	(113,000)	21,659,231
Pledges receivable, net	219,471	683,427	974,928	-	-	-	1,877,826
Other current assets	873,591	4,997,678	2,859,084	2,662,682	39,285	-	11,432,320
Current portion of assets whose use is limited	444,954	483,131	179,075	1,412,691	-	-	2,519,851
Due from affiliates–other	4,368,186	9,131,910	5,057,996	15,838,458	290,519	(34,687,069)	-
Due from affiliates–debt	-	-	-	96,088,546	-	(96,088,546)	-
Total current assets	30,298,770	54,085,506	131,853,504	140,192,181	(2,613,633)	(130,888,615)	222,927,713
Assets whose use is limited or restricted as to use							
Endowment funds	15,592,995	15,491,747	8,426,166	-	-	-	39,510,908
Board-designated funds	4,555,654	24,597,196	61,212,571	-	635,794	-	91,001,215
Trustee-held funds	10,442,511	31,655,397	119,838,050	8,271,862	-	-	170,207,820
Deferred compensation funds	1,890,320	777,097	1,157,335	288,004	95,655	-	4,208,411
Total assets limited as to use	32,481,480	72,521,437	190,634,122	8,559,866	731,449	-	304,928,354
Less: Amounts required to meet current obligations	(444,954)	(483,131)	(179,075)	(1,412,691)	-	-	(2,519,851)
Noncurrent assets limited as to use	32,036,526	72,038,306	190,455,047	7,147,175	731,449	-	302,408,503
Property, plant and equipment, net	22,954,549	68,275,829	154,162,702	3,489,261	904,948	-	249,787,289
Pledges receivable, net	200,895	1,953,082	500,910	-	-	-	2,654,887
Investments	517,028	-	2,068,112	1,590,017	-	-	4,175,157
Other assets	71,191	1,159,295	276,348	348,318	-	-	1,855,152
Total assets	$ 86,078,959	$ 197,512,018	$ 479,316,623	$ 152,766,952	$ (977,236)	$ (130,888,615)	$ 783,808,701

The accompanying notes are an integral part of these financial statements.

RIDOH 0844

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2012

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 9,661,008	$ 29,013,780	$ 37,590,276	$ 13,744,415	$ 1,984,491	$ (113,000)	$ 91,880,970
Current portion of estimated third-party payor settlements and advances	212,908	4,107,581	6,245,126	-	243,802	-	10,809,417
Current portion of long-term debt and capital leases	192,747	1,469,443	187,500	4,507,993	35,330	-	6,393,013
Current portion of long-term debt due to parent	612,781	1,269,144	1,678,607	-	-	(3,560,532)	-
Pension liability	1,519,114	5,532,644	2,816,488	2,162,318	107,987	-	12,138,551
Other current liabilities	1,439,100	1,629,985	4,759,226	1,500,004	354,288	-	9,682,603
Due to affiliates	1,518,769	5,216,000	12,346,272	15,197,102	408,926	(34,687,069)	-
Total current liabilities	15,156,427	48,238,577	65,623,495	37,111,832	3,134,824	(38,360,601)	130,904,554
Long term liabilities							
Self-insurance reserves	2,248,423	26,584,860	83,300,596	13,797,374	-	-	125,931,253
Long-term portion of estimated third-party payor settlements and advances	2,384,292	5,544,295	16,692,081	-	-	-	24,620,668
Long-term debt and capital leases	3,612,016	1,416,934	2,218,750	101,099,422	30,772	-	108,377,894
Pension liability	14,662,611	23,606,286	10,958,431	4,994,077	2,970,298	-	57,191,703
Postretirement liability	-	1,788,923	-	-	-	-	1,788,923
Interest rate swaps	-	-	-	13,629,389	-	-	13,629,389
Other liabilities	2,988,577	1,884,759	2,345,685	1,479,831	92,606	-	8,791,458
Due to parent, long-term debt	14,698,778	27,347,965	50,481,271	-	-	(92,528,014)	-
Total long-term liabilities	40,594,697	88,174,022	165,996,814	135,000,093	3,093,676	(92,528,014)	340,331,288
Net assets							
Unrestricted	11,946,775	39,816,679	233,975,976	(19,344,973)	(7,205,736)	-	259,188,721
Temporarily restricted	15,958,566	8,561,926	9,520,846	-	-	-	34,041,338
Permanently restricted	2,422,494	12,720,814	4,199,492	-	-	-	19,342,800
Total net assets	30,327,835	61,099,419	247,696,314	(19,344,973)	(7,205,736)	-	312,572,859
Total liabilities and net assets	$ 86,078,959	$ 197,512,018	$ 479,316,623	$ 152,766,952	$ (977,236)	$ (130,888,615)	$ 783,808,701

The accompanying notes are an integral part of these financial statements.

RIDOH 0845

Care New England Health System and Affiliates
Consolidating Statement of Operations
Year Ended September 30, 2012

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Revenues and gains							
Patient service revenue (net of contractual allowances and discounts)	$ 66,380,825	$ 324,548,139	$ 397,940,613	$ 1,244,508	$ 14,940,842	$ (496,843)	$ 804,558,084
Provision for bad debts	(2,853,893)	(36,189,675)	(3,673,580)	-	10,801		(42,706,347)
Net patient service revenue less provision for bad debts	63,526,932	288,358,464	394,267,033	1,244,508	14,951,643	(496,843)	761,851,737
Net assets released from restrictions and used for operations	321,201	660,378	1,598,377	-	-	-	2,579,956
Research revenue	10,838,714	-	15,857,048	-	-	-	26,695,762
Other revenue	19,395,562	12,419,575	37,914,373	85,579,328	1,028,235	(101,311,186)	55,025,887
Total revenues and gains	94,082,409	301,438,417	449,636,831	86,823,836	15,979,878	(101,808,029)	846,153,342
Operating expenses							
Salaries and benefits	63,272,987	162,850,160	258,155,420	58,838,037	13,320,568	(4,451,471)	551,985,701
Supplies and other expenses	14,863,131	100,260,325	115,641,768	27,763,949	2,216,131	(97,243,558)	163,501,746
Research expenses	10,675,755	-	15,840,307	-	-	-	26,516,062
Depreciation and amortization	3,485,332	9,043,796	14,259,396	449,055	226,304	-	27,463,883
Insurance	2,035,040	11,947,667	16,362,086	63,560	139,047	(113,000)	30,434,400
Licensure fee	-	13,446,669	18,388,595	-	-	-	31,835,264
Interest	443,047	802,014	2,195,385	160,446	4,048	-	3,604,940
Total operating expenses	94,775,292	298,350,631	440,842,957	87,275,047	15,906,098	(101,808,029)	835,341,996
Income (loss) from operations	(692,883)	3,087,786	8,793,874	(451,211)	73,780	-	10,811,346
Nonoperating gains (losses)							
Investment income on assets limited as to use	1,983,279	376,742	1,346,434	247,539	19,179	-	3,973,173
Unrestricted gifts and bequests	55,936	615	398,113	-	90,272	-	544,936
Change in fair value of interest rate swaps	-	-	-	(2,272,855)	-	-	(2,272,855)
Change in net unrealized (losses) gains on investments	(654,825)	2,657,974	11,315,244	(148,450)	69,262	-	13,239,205
Nonoperating expenditures	(314,360)	(860,725)	(883,580)	-	(47,921)	-	(2,106,586)
Net nonoperating gains (losses)	1,070,030	2,174,606	12,176,211	(2,173,766)	130,792	-	13,377,873
Excess (deficiency) of revenues and gains over expenses and losses	$ 377,147	$ 5,262,392	$ 20,970,085	$ (2,624,977)	$ 204,572	$ -	$ 24,189,219

The accompanying notes are an integral part of these financial statements.

RIDOH 0846

Care New England Health System and Affiliates
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2012

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses and losses	$ 377,147	$ 5,262,392	$ 20,970,085	$ (2,624,977)	$ 204,572	$ -	$ 24,189,219
Pension and postretirement adjustment	(7,272,127)	(1,312,116)	(170,517)	(2,093,956)	(276,710)	-	(11,125,426)
Net assets released from restrictions used for purchase of property, plant and equipment	137,970	953,713	942,049	-	-	-	2,033,732
Transfers	-	-	-	-	-	-	-
Transfer to deferred revenue	26,000	26,000	26,000	(100,000)	22,000	-	-
(Decrease) increase in unrestricted net assets	19,619	-	-	-	-	-	19,619
Temporarily restricted net assets	(6,711,391)	4,929,989	21,767,617	(4,818,933)	(50,138)	-	15,117,144
Contributions	961,191	3,279,885	3,869,709	-	-	-	8,110,785
Income from investments	234,724	638,028	154,180	-	-	-	1,026,932
Net realized and unrealized gains from investments	1,594,578	627,520	925,615	-	-	-	3,147,713
Net assets released from restrictions	(459,171)	(1,614,091)	(2,540,426)	-	-	-	(4,613,688)
Increase in temporarily restricted net assets	2,331,322	2,931,342	2,409,078	-	-	-	7,671,742
Permanently restricted net assets							
Net realized and unrealized gains from investments	-	1,141,973	524	-	-	-	1,142,497
Contributions	(6,653)	6,713	63,915	-	-	-	63,975
(Decrease) increase in permanently restricted net assets	(6,653)	1,148,686	64,439	-	-	-	1,206,472
(Decrease) increase in net assets	(4,386,722)	9,010,017	24,241,134	(4,818,933)	(50,138)	-	23,995,358
Net assets at beginning of year	34,714,557	52,089,402	223,455,180	(14,526,040)	(7,155,598)	-	288,577,501
Net assets at end of year	$ 30,327,835	$ 61,099,419	$ 247,696,314	$ (19,344,973)	$ (7,205,736)	$ -	$ 312,572,859

The accompanying notes are an integral part of these financial statements.

RIDOH 0847

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 16,383,496	$ 6,759,981	$ 37,089,536	$ (13,910,768)	$ (4,094,056)	$ -	$ 42,228,189
Investments	1,645,743	-	1,983,158	26,909,317	-	-	30,538,218
Patient accounts receivable	6,695,474	53,675,679	65,956,627	-	2,063,680	-	128,391,460
Less: Allowance for doubtful accounts	(1,008,034)	(18,023,227)	(13,124,110)	-	(411,843)	-	(32,567,214)
Net patient accounts receivable	5,687,440	35,652,452	52,832,517	-	1,651,837	-	95,824,246
Other receivables	2,486,892	5,561,791	10,819,886	116,676	199,991	-	19,185,236
Pledges receivable, net	183,340	554,200	923,283	-	-	-	1,660,823
Other current assets	836,258	4,554,845	2,438,867	1,617,264	43,002	-	9,490,236
Current portion of assets whose use is limited	679,392	1,109,335	2,281,783	10,021	-	-	4,080,531
Due from affiliates – other	4,071,228	2,620,530	1,547,503	11,493,346	140,399	(19,873,006)	-
Due from affiliates – debt	-	-	-	95,723,122	-	(95,723,122)	-
Total current assets	31,973,789	56,813,134	109,916,533	121,958,978	(2,058,827)	(115,596,128)	203,007,479
Assets whose use is limited or restricted as to use							
Endowment funds	13,944,405	13,715,541	7,333,101	-	-	-	34,993,047
Board-designated funds	3,965,894	20,633,295	55,075,397	-	548,587	-	80,223,173
Trustee-held funds	12,164,645	34,934,344	112,106,857	1,412,230	-	-	160,618,076
Deferred compensation funds	1,793,847	1,070,079	1,113,087	280,212	94,421	-	4,351,646
Total assets limited as to use	31,868,791	70,353,259	175,628,442	1,692,442	643,008	-	280,185,942
Less: Amounts required to meet current obligations	(679,392)	(1,109,335)	(2,281,783)	(10,021)	-	-	(4,080,531)
Noncurrent assets limited as to use	31,189,399	69,243,924	173,346,659	1,682,421	643,008	-	276,105,411
Property, plant and equipment, net	21,815,094	68,277,037	157,203,527	2,685,977	813,908	-	250,795,543
Pledges receivable, net	374,391	1,790,034	798,862	-	-	-	2,963,287
Investments	816,698	-	3,266,796	2,511,697	-	-	6,595,191
Other assets	50,791	1,295,024	314,679	319,060	-	-	1,979,554
Total assets	$ 86,220,162	$ 197,419,153	$ 444,847,056	$ 129,158,133	$ (601,911)	$ (115,596,128)	$ 741,446,465

The accompanying notes are an integral part of these financial statements.

RIDOH 0848

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 10,004,744	$ 34,423,301	$ 35.567,640	$ 11,754 804	$ 2,144,728	$ -	$ 93,895,217
Current portion of estimated third-party payor settlements and advances	869 213	2.827,844	10,568 241	-	243,802	-	14,509 100
Current portion of long-term debt and capital leases	228.748	1,412,303	512,728	3,726,267	33,837	-	5,913.883
Current portion of long-term debt, due to parent	573,324	941,388	2,091,940	-	-	(3.606,652)	-
Pension liability	1,541.469	5,452,964	2,872,294	1,412,335	99,138	-	11,378,200
Other current liabilities	1,448,665	1,513,971	5,098,545	-	257,992	-	8,319,173
Due to affiliates	1,943,826	7,903,957	5,452,012	3,755,579	817,632	(19,873,006)	-
Total current liabilities	16,609,989	54 475,728	62,163,400	20,648,985	3,597,129	(23.479,658)	134,015,573
Long term liabilities							
Self-insurance reserves	2,068,466	25,611,122	78 300,993	11,935 955	-	-	117,916,536
Long-term portion of estimated third-party payor settlements and advances	2,007,520	5,063,286	12,585,738	-	-	-	19,656,544
Long-term debt and capital leases	5,003,058	2,886,378	2,406 253	95,607,415	63,221	-	105,966,325
Pension liability	8,497,658	26,656,414	12.839,480	3,835,775	2,697,620	-	54,526,947
Postretirement liability	-	1.973,659	-	-	-	-	1,973,659
Interest rate swaps	-	-	-	11,356,534	-	-	11,356,534
Other liabilities	2,232,278	2 193,627	2,535,715	299,509	195,717	-	7,456,846
Due to parent, long-term debt	15,086,636	26,469,537	50.560,297	-	-	(92,116,470)	-
Total long-term liabilities	34,895,616	90,854,023	159,228,476	123,035,188	2,956,558	(92,116,470)	318,853,391
Net assets							
Unrestricted	18,658 166	34 886,690	212.208 359	(14,526.040)	(7.155,598)	-	244,071,577
Temporarily restricted	13,627.244	5,630,584	7,111.768	-	-	-	26,369,596
Permanently restricted	2,429,147	11 572,128	4,135,053	-	-	-	18,136,328
Total net assets	34,714.557	52.089,402	223,455,180	(14,526,040)	(7,155,598)	-	288,577,501
Total liabilities and net assets	$ 86 220,162	$ 197 419,153	$ 444,847,056	$ 129,158,133	$ (601,911)	$ (115,596,128)	$ 741,446,465

The accompanying notes are an integral part of these financial statements.

RIDOH 0849

Care New England Health System and Affiliates
Consolidating Statement of Operations
Year Ended September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Revenues and gains							
Patient service revenue (net of contractual allowances and discounts)	$ 64,309,852	$ 299,788,244	$ 375,106,190	$ 248,004	$ 15,792,411	$ (198,609)	$ 755,046,092
Provision for bad debts	(1,796,158)	(24,146,955)	(5,981,694)	-	(6,281)	-	(31,931,088)
Net patient service revenue less provision for bad debts	62,513,694	275,641,289	369,124,496	248,004	15,786,130	(198,609)	723,115,004
Net assets released from restrictions and used for operations	515,141	815,162	1,665,083	-	-	-	2,995,386
Research revenue	10,907,545	-	17,549,294	-	-	-	28,456,839
Other revenue	18,188,183	14,698,760	35,014,775	57,227,710	1,088,816	(71,629,729)	54,588,515
Total revenues and gains	92,124,563	291,155,211	423,353,648	57,475,714	16,874,946	(71,828,338)	809,155,744
Operating expenses							
Salaries and benefits	63,515,803	160,979,258	256,541,949	38,377,253	13,896,113	(6,786,722)	526,523,654
Supplies and other expenses	13,469,899	91,868,376	88,806,181	18,991,309	2,059,710	(64,957,616)	150,237,859
Research expenses	10,901,077	-	17,698,440	-	-	-	28,599,517
Depreciation and amortization	3,324,998	8,873,736	14,694,296	399,972	228,710	-	27,521,712
Insurance	1,790,359	12,540,460	14,783,640	76,674	495,989	(84,000)	29,603,122
Licensure fee	-	13,441,647	17,270,751	-	-	-	30,712,398
Interest	568,145	755,933	2,278,233	123,860	15,229	-	3,741,400
Total operating expenses	93,570,281	288,459,410	412,073,490	57,969,068	16,695,751	(71,828,338)	796,939,662
Income (loss) from operations	(1,445,718)	2,695,801	11,280,158	(493,354)	179,195	-	12,216,082
Nonoperating gains (losses)							
Investment income on assets limited as to use	820,545	483,038	1,692,236	250,316	23	-	3,246,158
Unrestricted gifts and bequests	58,147	1,130	412,125	100,000	74,588	-	645,990
Change in fair value of interest rate swaps	-	-	-	(1,539,686)	-	-	(1,539,686)
Change in net unrealized losses on investments	(354,523)	(3,972,518)	(8,211,568)	(100,014)	(40,680)	-	(12,679,303)
Nonoperating expenditures	(321,469)	(842,322)	(696,783)	-	(25,655)	-	(1,886,229)
Net nonoperating gains (losses)	202,700	(4,330,672)	(6,803,990)	(1,289,384)	8,276	-	(12,213,070)
Excess (deficiency) of revenues and gains over expenses and losses	$ (1,243,018)	$ (1,634,871)	$ 4,476,168	$ (1,782,738)	$ 187,471	$ -	$ 3,012

The accompanying notes are an integral part of these financial statements.

RIDOH 0850

Care New England Health System and Affiliates
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses and losses	$ (1,243,018)	$ (1,634,871)	$ 4,476,168	$ (1,782,738)	$ 187,471	$ -	$ 3,012
Pension and postretirement adjustment	(3,118,755)	(9,057,549)	(4,367,310)	(2,216,786)	(595,059)	-	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	351,935	789,882	2,277,464	-	-	-	3,419,281
Transfers	(8,618)	(27,307)	(37,485)	75,000	(1,590)	-	-
Transfer to deferred revenue	(807,390)	-	(1,834,250)	-	-	-	(2,641,640)
(Decrease) increase in unrestricted net assets	(4.825,846)	(9,929,845)	514,587	(3,924,524)	(409,178)	-	(18,574,806)
Temporarily restricted net assets							
Contributions	1,011.584	3,615,937	2,487,283	-	-	-	7,114,804
Income from investments	197,215	449,984	261,745	-	-	-	908,944
Net realized and unrealized losses from investments	(713,034)	(110,650)	(520,803)	-	-	-	(1,344,487)
Net assets released from restrictions	(867,076)	(1,605,044)	(3,942,547)	-	-	-	(6,414,667)
(Decrease) increase in temporarily restricted net assets	(371,311)	2,350,227	(1,714,322)	-	-	-	264,594
Permanently restricted net assets							
Net realized and unrealized gains (losses) from investments	-	(499,926)	504	-	-	-	(499,422)
Contributions	6,090	15,634	82,356	-	-	-	104,080
Increase (decrease) in permanently restricted net assets	6,090	(484,292)	82,860	-	-	-	(395,342)
Decrease in net assets	(5,191,067)	(8,063,910)	(1,116,875)	(3,924,524)	(409,178)	-	(18,705,554)
Net assets at beginning of year	39,905,624	60,153,312	224,572,055	(10,601,516)	(6,746.420)	-	307,283,055
Net assets at end of year	$ 34,714,557	$ 52,089,402	$ 223,455,180	$ (14,526,040)	$ (7,155,598)	$ -	$ 288,577,501

The accompanying notes are an integral part of these financial statements.

RIDOH 0851

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Care New England Health System and Affiliates

Consolidated Financial Statements with
Supplementary Consolidating Information
September 30, 2011 and 2010

Care New England Health System and Affiliates
Index
September 30, 2011 and 2010

Page(s)

Report of Independent Auditors 1

Consolidated Financial Statements

Balance Sheets 2

Statements of Operations 3

Statements of Changes in Net Assets 4

Statements of Cash Flows 5

Notes to Financial Statements 6–38

Supplementary Consolidating Financial Statements

2011 Balance Sheet 39–40

2011 Statements of Operations and Changes in Net Assets 41–42

2010 Balance Sheet 43–44

2010 Statements of Operations and Changes in Net Assets 45–46

pwc

Report of Independent Auditors

To the Board of Trustees
Care New England Health System

In our opinion, the accompanying consolidated balance sheet and the related consolidated statement of operations, changes in net assets and cash flow present fairly, in all material respects, the financial position of Care New England Health System and Affiliates ("Care New England") at September 30, 2011, and the consolidated results of their operations, changes in their net assets and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Care New England's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. The financial statements of Care New England as of September 30, 2010 and for the year then ended were audited by other auditors whose report dated December 23, 2010 expressed an unqualified opinion on those statements.

Our audit was conducted for the purpose of forming an opinion on the 2011 consolidated financial statements taken as a whole. The supplementary consolidating information included on page 39 to 42 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and results of operations of the individual affiliates. Accordingly, we do not express an opinion on the financial position and results of operations of the individual affiliates. However, the consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

PricewaterhouseCoopers LLP

December 22, 2011

PricewaterhouseCoopers LLP, 125 High Street, Boston, MA 02110
T: (617) 530 5000, F: (617) 530 5001, www.pwc.com/us

Care New England Health System and Affiliates
Consolidated Balance Sheets
September 30, 2011 and 2010

	2011	2010
Assets		
Current assets		
Cash and cash equivalents	$ 42,228,189	$ 78,907,705
Investments	30,538,218	2,846,997
Patient accounts receivable, net of allowance for uncollectible accounts of $32,567,214 in 2011 and $31,296,045 in 2010	95,824,246	81,031,735
Other receivables	19,185,236	12,799,246
Pledges receivable, net	1,660,823	1,303,759
Other current assets	9,490,236	9,503,750
Current portion of assets whose use is limited	4,080,531	3,530,085
Total current assets	203,007,479	189,923,277
Assets whose use is limited or restricted as to use		
Endowment funds	34,993,047	36,763,760
Board-designated funds	80,223,173	76,029,006
Trustee-held funds	160,618,076	137,210,575
Deferred compensation funds	4,351,646	3,940,457
Total assets limited as to use	280,185,942	253,943,798
Less: Amounts required to meet current obligations	(4,080,531)	(3,530,085)
Noncurrent assets limited as to use	276,105,411	250,413,713
Property, plant and equipment, net	250,795,543	253,227,303
Pledges receivable, net	2,963,287	1,285,438
Investments	6,595,191	19,817,913
Other assets	1,979,554	1,170,918
Total assets	$ 741,446,465	$ 715,838,562
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued expenses	$ 95,317,221	$ 101,389,513
Current portion of estimated third-party payor settlements and advances	14,509,100	15,189,402
Current portion of long-term debt and capital leases	5,913,883	5,976,801
Pension liability	11,378,200	2,426,552
Interest rate swaps	-	1,104,629
Other current liabilities	6,897,169	4,634,608
Total current liabilities	134,015,573	130,721,505
Long-term liabilities		
Self-insurance reserves	117,916,536	104,137,560
Long-term portion of estimated third-party payor settlements and advances	19,656,544	20,713,406
Long-term debt and capital leases	105,966,325	86,039,506
Pension liability	54,526,947	47,441,341
Postretirement liability	1,973,659	2,396,079
Interest rate swaps	11,356,534	8,712,219
Other liabilities	7,456,846	8,393,891
Total long-term liabilities	318,853,391	277,834,002
Net assets		
Unrestricted	223,493,967	242,068,773
Temporarily restricted	46,947,206	46,682,612
Permanently restricted	18,136,328	18,531,670
Total net assets	288,577,501	307,283,055
Total liabilities and net assets	$ 741,446,465	$ 715,838,562

The accompanying notes are an integral part of these financial statements.

RIDOH 0856

Care New England Health System and Affiliates
Consolidated Statements of Operations
Years Ended September 30, 2011 and 2010

	2011	2010
Revenues and gains		
Net patient service revenue	$ 755,046,092	$ 730,762,119
Net assets released from restrictions and used for operations	2,995,386	7,843,614
Research revenue	28,456,839	28,954,976
Other revenue	54,588,515	37,709,538
Total revenues and gains	841,086,832	805,270,247
Operating expenses		
Salaries and benefits	526,523,654	502,912,902
Supplies and other expenses	150,237,859	139,539,901
Research expenses	28,599,517	28,961,381
Depreciation and amortization	27,521,712	27,599,900
Insurance	29,603,122	21,595,578
Licensure fee	30,712,398	27,866,534
Interest	1,278,350	1,254,472
Provision for uncollectible accounts	31,931,088	36,700,064
Total operating expenses	826,407,700	786,430,732
Income from operations	14,679,132	18,839,515
Nonoperating gains (losses)		
Investment income on assets limited as to use	3,246,158	2,418,733
Unrestricted gifts and bequests	645,990	489,569
Change in fair value of interest rate swaps	(1,539,686)	(3,675,851)
Net payments on interest rate swaps	(2,463,050)	(2,477,873)
Change in net unrealized (losses) gains on investments	(12,679,303)	10,490,064
Nonoperating expenditures	(1,886,229)	(1,553,979)
Net nonoperating (losses) gains	(14,676,120)	5,690,663
Excess of revenues and gains over expenses and losses	3,012	24,530,178
Other changes in unrestricted net assets		
Pension and postretirement adjustment	(19,355,459)	(12,672,250)
Net assets released from restrictions used for purchase of property, plant and equipment	3,419,281	4,792,191
Transfer to deferred revenue	(2,641,640)	-
Others	-	47,703
(Decrease) increase in unrestricted net assets	$ (18,574,806)	$ 16,697,822

The accompanying notes are an integral part of these financial statements.

RIDOH 0857

Care New England Health System and Affiliates
Consolidated Statements of Changes in Net Assets
Years Ended September 30, 2011 and 2010

	2011	2010
Unrestricted net assets		
Excess of revenues over expenses	$ 3,012	$ 24,530,178
Other changes in unrestricted net assets		
Pension and postretirement adjustment	(19,355,459)	(12,672,250)
Net assets released from restrictions used for purchase of property, plant and equipment	3,419,281	4,792,191
Transfer to deferred revenue	(2,641,640)	-
Others	-	47,703
(Decrease) increase in unrestricted net assets	(18,574,806)	16,697,822
Temporarily restricted net assets		
Contributions	7,114,804	11,389,097
Income from investments	908,944	709,262
Net realized and unrealized (losses) gains from investments	(1,344,487)	1,436,561
Net assets released from restrictions	(6,414,667)	(13,525,190)
Increase in temporarily restricted net assets	264,594	9,730
Permanently restricted net assets		
Net realized and unrealized (losses) gains from investments	(499,422)	734,967
Contributions	104,080	152,635
(Decrease) increase in permanently restricted net assets	(395,342)	887,602
(Decrease) increase in net assets	(18,705,554)	17,595,154
Net assets		
Beginning of year	307,283,055	289,687,901
End of year	$ 288,577,501	$ 307,283,055

The accompanying notes are an integral part of these financial statements.

RIDOH 0858

Care New England Health System and Affiliates
Consolidated Statements of Cash Flows
Years Ended September 30, 2011 and 2010

	2011	2010
Operating activities		
Change in net assets	$ (18,705,554)	$ 17,595,154
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities		
Pension and postretirement adjustment	19,355,459	12,672,250
Depreciation and amortization	27,521,712	27,599,900
Provision for bad debt	31,931,088	36,700,064
Change in fair value of interest rate swaps	1,539,686	3,675,851
Income and gains on assets limited as to use	(3,246,158)	(2,418,733)
Net unrealized (gains) losses on investments	12,679,303	(10,490,064)
Restricted contributions and investment income	395,342	(887,602)
Changes in		
Patient accounts receivable	(46,723,599)	(37,925,476)
Investments	(60,912,110)	(9,738,889)
Other current and long-term assets	(9,216,025)	1,345,372
Accounts payable and accrued expenses	(6,072,292)	14,292,564
Estimated third-party payor settlements	(1,737,164)	(5,378,105)
Deferred revenue and other liabilities	1,325,516	(1,460,902)
Net pension liability	(3,740,625)	(5,990,571)
Self-insurance reserves	13,778,976	1,472,767
Net cash (used in) provided by operating activities	(41,826,445)	41,063,580
Investing activities		
Purchase of property and equipment	(25,089,952)	(23,943,062)
Purchase of investments	(9,900,000)	-
Proceeds from the sale of investments	20,668,322	-
Net cash used in investing activities	(14,321,630)	(23,943,062)
Financing activities		
Proceeds from long-term debt	28,000,000	4,899,749
Payments on long-term debt	(8,136,099)	(7,161,920)
Restricted contributions to be used for long-term investments and investment income	(395,342)	887,602
Net cash provided by (used in) financing activities	19,468,559	(1,374,569)
Net (decrease) increase in cash and cash equivalents	(36,679,516)	15,745,949
Cash and cash equivalents		
Beginning of year	78,907,705	63,161,756
End of year	$ 42,228,189	$ 78,907,705
Supplemental disclosures of cash flow information		
Cash paid for interest	$ 1,215,630	$ 1,355,785

The accompanying notes are an integral part of these financial statements.

RIDOH 0859

1. Description of Organization

Corporate Structure

Care New England Health System ("CNE", "Care New England", or the "Health System"), a not-for-profit corporation, was established in February 1996 as the holding company for the development of an integrated delivery network which consists of Butler Hospital, Kent County Memorial Hospital, and Women & Infants Hospital of Rhode Island (collectively, the "Hospitals"), and the Kent County Visiting Nurse Association, d/b/a VNA of Care New England (the "Agency").

The accompanying consolidated financial statements include the accounts of Care New England and its affiliates, over which Care New England has corporate governance:

- Butler Hospital ("Butler") and its affiliates, Carriage House, LLC ("Carriage"), and Butler Hospital Allied Medical Services, LLC.
- Kent County Memorial Hospital ("Kent") and its affiliates, Kent Hospital Foundation, Kent Ancillary Services, LLC, Affinity Physicians, LLC, and Toll Gate Indemnity, Ltd. ("Toll Gate").
- Women & Infants Corporation ("WIC") and its affiliates, Women & Infants Development Foundation, Palomar Group, Inc. ("Palomar"), Women & Infants Hospital of Rhode Island ("WIH"), WIH Faculty Physicians, Inc., Women & Infants Ancillary Services, LLC, Women & Infants Health Care Alliance, LLC, and W&I Indemnity, Ltd. ("W&I Indemnity").
- Kent County Visiting Nurse Association and its affiliate, Healthtouch, Inc. (together, the "Agency").
- Care New England Wellness Centers, LLC.

Significant intercompany accounts have been eliminated in consolidation.

Mission and Nature of Business

Care New England is dedicated to building an exemplary health care system. Care New England supports the three Hospitals, the Agency, and affiliated organizations.

The mission of Butler Hospital is to provide treatment for psychiatric illness in an atmosphere of dignity and respect, and to contribute to knowledge through education and research, while continuously improving the ways Butler serves its patients and the community. Butler is a 117-bed, not-for-profit psychiatric teaching hospital, affiliated with the Warren Alpert Medical School of Brown University, providing services for the care of patients from Rhode Island and nearby Massachusetts. As a complement to its role in service and education, Butler actively supports research by members of its staff. Butler is accredited by The Joint Commission ("TJC").

The mission of Kent County Memorial Hospital is to continually improve the health and well-being of the people and communities it serves, offering its essential services without regard for the ability to pay. Kent is a 359-bed, not-for-profit general hospital providing a full range of services for the acute care of patients principally from Kent County, Rhode Island. Kent is affiliated with, and provides clinical training to, the students of the University of New England College of Osteopathic Medicine, and currently operates American Osteopathic Association approved residency programs in emergency medicine, family practice, internal medicine, and a fellowship program in hyperbaric medicine. Kent is accredited by TJC and the Commission on Accreditation of Rehabilitation Facilities. Toll Gate, a wholly owned subsidiary of Kent insures primary and excess hospital

professional and general liability risks for the Hospital and its employees on an occurrence basis. Toll Gate insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' professional liability on both a claims-made and occurrence basis. Toll Gate also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' professional liability on both a claims-made and occurrence basis.

The mission of Women & Infants Corporation is to support Women & Infants Hospital of Rhode Island and all other affiliated organizations. The mission of Women & Infants Hospital of Rhode Island is to improve the health and well-being of women and infants, and to provide essential services regardless of ability to pay. WIH is a 247-bed, not-for-profit regional center for women and infants' care in Rhode Island and southern New England. Among other university affiliations, Women & Infants is the primary teaching affiliate of the Warren Alpert Medical School of Brown University in obstetrics, gynecology and newborn pediatrics along with related sub-specialty and internal medicine services. As a complement to its role in service and education, WIH actively supports research by members of its staff. WIH is accredited by TJC. W&I Indemnity is a wholly owned subsidiary of WIH. W&I Indemnity insures excess hospital professional liability risks for the Hospital and its employees on an occurrence basis, and excess hospital professional liability risks for the Care New England Health System solely to the extent not covered by commercial insurance purchased by Care New England, Butler, or Kent. W&I Indemnity insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' and residents' medical malpractice liability on an occurrence basis. W&I Indemnity also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' medical malpractice liability on both a claims-made and occurrence basis.

The mission of Kent County Visiting Nurse Association is to provide and administer a comprehensive, multidisciplinary, therapeutic, hospice, and public health nursing program. The Agency is a not-for-profit corporation, providing home care services to the residents of Rhode Island and nearby Massachusetts. Healthtouch, Inc. is a not-for-profit corporation providing private duty nursing and personal care services, primarily to residents of Rhode Island.

2. Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the reporting principles of not-for-profit accounting as defined by Not-for-Profit Entities and the American Institute of Certified Public Accountants ("AICPA") Audit and Accounting Guide for Health Care Organizations.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the areas of patient accounts receivable, accruals for settlements with third-party payors, incurred but not reported liabilities for health insurance, workers' compensation, and medical malpractice insurance, and other accrued expenses. Actual results could differ from those estimates.

Cash and Cash Equivalents
Care New England considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts whose use is limited by the Boards of Trustees (the "Boards") designation or other arrangements under trust agreements.

Investments
Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, other-than-temporary impairments in the value of securities, interest, and dividends) is included in the excess of revenues and gains over expenses unless the income or loss is restricted by donor or law.

Kent, WIH and the Agency follow the practice of pooling resources of unrestricted and restricted assets for long-term investment purposes. The investment pool is operated on the market value method whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry. Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool.

Alternative investments (nontraditional, not readily marketable holdings) include hedge funds. Alternative investment interests generally are structured such that the Health System holds a limited partnership interest. The Health System's ownership structure does not provide for control over the related investees, and the Health System's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment. There are no future funding commitments for alternative investments at September 30, 2011.

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt and equity securities, and interests in other alternative investments. The Health System may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products. Alternative investments often have liquidity restrictions under which the Health System's capital may be divested only at specified times. The Health System's liquidity restrictions may be up to 90 days for certain investments. Liquidity restrictions may apply to all or portions of a particular invested amount. The Health System's policy is to record its ownership interest in certain alternative investments of less than 5% at cost.

Financial information used by the Health System to evaluate its alternative investments is provided by the investment manager or general partner, and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with the Health System's annual financial statement reporting.

There is uncertainty in the valuation for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, and time lags associated with reporting by investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

RIDOH 0862

Income and realized net gains (losses) on investments of endowments and specific purpose funds are reported as follows:

- Increases (decreases) in permanently restricted net assets if the terms of the gift require that they be added to the principal of permanently restricted net assets;
- Increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or the income has not yet been appropriated; or
- Increases (decreases) in the unrestricted net assets in all other cases.

Assets Limited as to Use
Assets limited as to use primarily include endowment funds, assets held by trustees under indenture agreements and insurance programs, deferred compensation arrangements, and designated assets set aside by one or more of the Boards, over which the Boards retain control and may, at their discretion, subsequently use for other purposes. Amounts required to meet current obligations of the Hospitals have been reclassified to current assets.

Inventories
Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market. Inventories of $4,180,758 and $3,919,717 at September 30, 2011 and 2010, respectively are included in other current assets in the consolidated balance sheets.

Property and Equipment
Property and equipment acquisitions are recorded at cost. Donated property and equipment is recorded at fair value at the date of receipt. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Depreciation is recorded using the straight-line method based on the estimated useful life of each class of depreciable asset, as recommended by the American Hospital Association as follows:

Buildings and improvements	5 - 40 years
Fixed and moveable equipment	3 - 20 years

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support, and are excluded from the excess of revenues over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Assets recorded under capital leases are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the asset. Such amortization is included with depreciation and amortization expense in the consolidated statements of operations.

Upon retirement or sale of assets, the cost of assets disposed of and the related accumulated depreciation are eliminated and the related gains or losses are recognized in other revenue in the consolidated statements of operations.

Care New England evaluates the potential impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value of a group of assets may not be recoverable.

Pledges
Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made. Pledges are recorded as additions to the appropriate net asset classification.

Deferred Financing Costs
Expenses related to issuance of bonds are deferred and amortized on a straight-line basis over the period during which the bonds are expected to be outstanding.

Self-Insurance Reserves
The reserves for self-insured programs are estimated based on actuarial studies and the Hospitals' and industry experience. The reserves include estimates of the ultimate cost for both reported claims and claims incurred but not yet reported. The Hospitals have established separate indemnification companies and trust funds for payment of certain self-insured claims.

Care New England is self-insured for losses arising from workers' compensation claims. Loss reserves are estimated based on actuarial studies, and the Health System's and industry experience.

For the employees of the Hospitals and the Agency, with the exclusion of the unionized employees at Women & Infants Hospital, Care New England is self-insured for losses arising from health insurance claims. Self-insured losses for both reported claims and claims incurred but not yet reported are estimated based on actuarial studies and the Health System's actual experience.

Temporarily and Permanently Restricted Net Assets
Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenues Over Expenses
The consolidated statements of operations and changes in net assets include excess of revenues and gains over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in the pension and postretirement liability.

Net Patient Service Revenue
The Hospitals and the Agency have individual agreements with many third-party payors that provide payments at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to such things as future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such adjustments.

Research Revenue
Research revenue includes revenue from federal, state, institutional and other sources for the purposes of funding research activities.

Other Revenue
Other revenue includes underwriting income, rental income, cafeteria sales, laboratory services provided to nonpatients, sales of home medical equipment, vendor rebates and discounts, various services provided to physicians and other organizations and gains or losses upon the retirement or sale of assets.

Charity Care
The Health System provides care to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue.

Contributions and Donor-Restricted Gifts
Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date when the condition is satisfied. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Unrestricted contributions are reported net of direct fundraising expenses in the consolidated statements of operations.

Income Tax Status
Care New England, the Hospitals, the Agency, Healthtouch, Women & Infants Faculty Physicians, Inc., Women & Infants Corporation, Women & Infants Development Foundation, Palomar, and Kent Hospital Foundation are not-for-profit corporations, and have been recognized as tax exempt on related income pursuant to Section 501(c)(3) of the Internal Revenue Code. W&I Indemnity, Ltd. and Toll Gate Indemnity, Ltd. are foreign corporations with no material tax liability. Other affiliates are single-member limited liability companies which are treated as part of their sole member for tax purposes.

RIDOH 0865

New Accounting Pronouncements

Presentation and Disclosure of Net Revenues, Provision for Bad Debts, and the Allowance for Doubtful Accounts

In July 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2011-7 (ASU 2011-7), *Health Care Entities: Presentation and Disclosure of Net Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts.* Under the new guidance, bad debts relating to patient service revenue will be separately disclosed in the consolidated statements of operations and reported as a component of net patient service revenue. Bad debts associated with activities other than patient service revenue will continue to be reported as an operating expense. For Care New England, ASU 2011-7 would be effective for fiscal years beginning after December 15, 2011, but early adoption is permitted. The Health System has decided not to early adopt this standard.

Postretirement Benefit Plan Assets

In March 2008, the FASB issued ASC Topic 517-20-65-2, *Employers' Disclosures about Postretirement Benefit Plan Assets.* This Topic amends ASC Topic 958-715 to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The Health System adopted the provisions of the Topic beginning with the fiscal year ended September 30, 2010.

Derivative Instruments and Hedging Activities

In March 2008, the FASB issued ASC Topic 815-10-65-1, *Disclosures about Derivative Instruments and Hedging Activities – an amendment of Topic 815-10-50 (ASC Topic 815-10-65-1).* ASC Topic 815-10-65-1 builds upon the existing disclosure requirements of ASC Topic 815-10-50, *Accounting for Derivative Instruments and Hedging Activities,* by requiring enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under ASC Topic 815-10-50 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The Health System adopted ASC Topic 815-10-65-1 for its fiscal year ending September 30, 2010.

Reclassifications

Certain items in the 2010 financial statements have been reclassified to conform to the current year presentation.

3. Uncompensated Care and Community Services

The Health System maintains records to identify and monitor the level of charity care and community services it provides, including the amount of charges forgone for services and the estimated cost incurred to provide those services. The revenues forgone and estimated costs and expenses incurred to provide charity care for the years ended September 30 are as follows:

	2011	2010
Revenues forgone, based on established rates	$ 35,271,183	$ 26,405,197
Expenses and cost incurred	14,554,470	11,545,773

RIDOH 0866

In addition to the above-mentioned medical care rendered, the Health System provides numerous other services free of charge to the community. These services include such things as transporting patients to the healthcare facilities, interpretation of medical information to various languages, volunteer services to other not-for-profit agencies, emergency and disaster relief services, various health, educational, research and teaching programs, healthcare screening services, therapeutic patient services, and provision of direct services to patients with multiple psychosocial needs.

	2011	2010
Approximated revenues forgone, or cost of the services provided to the community	$ 7,397,062	$ 10,095,776

The Health System also provides services to other indigent patients under the Medicaid/Rite Care Program, which reimburses healthcare providers at amounts which are less than the cost of services provided to the recipients.

In addition to the cost of charity care and other community service programs, the Health System provided $31,931,088 and $36,700,064 for uncollectible patient accounts during the years ended September 30, 2011 and 2010, respectively.

4. Pledges Receivable

Unconditional promises to give are recorded at present value as current and long-term assets based on expected time of collection. Future expected collections of these pledges as of September 30 are as follows:

	2011	2010
Within one year	$ 2,195,890	$ 1,791,872
One to five years	3,650,520	2,154,974
Beyond five years	6,305	10,105
	5,852,715	3,956,951
Less: Allowance for uncollectibles	(1,228,605)	(1,367,754)
Pledges receivable, net	$ 4,624,110	$ 2,589,197

RIDOH 0867

5. Summary of Investments

Investments at September 30 are summarized as follows:

	2011	2010
Securities, at market		
Cash and cash equivalents	$ 29,408,878	$ 18,480,802
Fixed income securities	75,556,136	37,580,326
Equity securities	52,244,843	67,096,178
Mutual funds	85,328,557	83,166,909
Auction rate securities	10,598,691	19,817,913
Alternative investments	35,591,407	23,052,753
Cash surrender value of life insurance	28,590,839	27,413,827
	$ 317,319,351	$ 276,608,708

The cash surrender value of life insurance is included in Board-designated funds.

Investment return for the years ended September 30 consisted of the following:

	2011	2010
Interest and dividend income	$ 2,862,928	$ 2,685,828
Net realized gains on sales of investments	9,885,312	2,645,146
Net change in unrealized (losses) gains	(12,679,303)	10,490,064
	$ 68,937	$ 15,821,038
Included in operating revenue	$ 9,502,082	$ 2,912,241
Included in nonoperating revenue	(9,433,145)	12,908,797
	$ 68,937	$ 15,821,038

Care New England, the Hospitals, and the Agency routinely invest their surplus operating funds in various overnight repurchase agreements, money market funds, and fixed income U.S. agency bonds, which are classified as cash and cash equivalents.

Through its consolidated treasury management system, Care New England, on behalf of the Health System, has invested surplus operating cash in auction rate securities with varying maturity dates, which are backed by student loans. These loans are guaranteed for repayment by the federal government. During 2008, the auctions at which these securities were sold began to fail, requiring CNE to hold these securities indefinitely. However, payments of interest from the underlying loan pool remain current. As of September 30, 2011 and 2010, these securities are recorded as short-term and long-term investments in the consolidated balance sheets and Care New England has recorded an other-than-temporary impairment loss of $651,310 and $1,182,086, respectively, based on an independent valuation of the securities. During 2011, $9,750,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of $548,825. During 2010, $3,225,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of $198,359. During October, 2011, an additional $4,250,000 were liquidated at face value, resulting in a nonoperating gain of $246,500.

RIDOH 0868

The summary of the current and long-term fair value of the auction rate securities is as follows:

	2011	2010
Current investments	$ 4,003,500	$ -
Long term investments	6,595,191	19,817,913
	$ 10,598,691	$ 19,817,913

6. Property, Plant and Equipment

A summary of property, plant and equipment at September 30 follows:

	2011	2010
Land and land improvements	$ 10,409,078	$ 10,169,616
Buildings and improvements	345,142,240	334,879,014
Moveable equipment	275,240,463	262,280,466
Total property, plant and equipment	630,791,781	607,329,096
Less: Accumulated depreciation and amortization	(382,282,204)	(357,840,698)
	248,509,577	249,488,398
Construction and projects in progress	2,285,966	3,738,905
Property, plant and equipment, net	$ 250,795,543	$ 253,227,303

Depreciation expense for property, plant and equipment amounted to $27,364,023 and $27,526,520 for the years ended September 30, 2011 and 2010, respectively.

Care New England disposed of $3,119,556 and $1,952,944 of assets, with accumulated depreciation of $2,922,517 and $1,952,944 for the years ended September 30, 2011 and 2010, respectively. The net book value was written off and reflected in the consolidated statements of operations.

During May 2010, Kent received a Certificate of Need approval from the Rhode Island Department of Health to construct and relocate its outpatient surgical suites to one floor of a two-story medical building being built on its campus by a private developer. The Certificate of Need also includes lobby renovations, the construction of a connector to the main hospital building, and the construction of a 10-bed short stay nursing unit in the vacated outpatient surgery space. The project is being funded through the issuance of tax-exempt debt and philanthropic donations. Total estimated cost of the project is $15,000,000.

During November 2010, Butler received a Certificate of Need approval from the Rhode Island Department of Health to build a building that will house an updated Patient Assessment Service, and accommodate an increase in Butler's licensed bed complement of inpatient psychiatry beds by twenty-six. The building is being funded through the issuance of tax-exempt debt, use of equity, and philanthropic donations. Total estimated cost of the new building is $19,126,000.

RIDOH 0869

As of September 30, 2011, the Health System estimated the total cost of completion of construction and projects in progress to be approximately $35,444,126. The funding to complete these projects will come from Board-designated funds, philanthropic donations, tax-exempt debt, and operating cash.

WIH leases land for its facility from Rhode Island Hospital ("RIH"), for a nominal annual payment, under a 99-year lease agreement which expires December 31, 2085.

Butler owns approximately 110 acres of land, which was purchased with donated funds in the mid-19th century. This land has a book value of one dollar.

In the late 1940s, Kent acquired 57 acres of land, which is recorded at the acquisition price of $90,165.

Conditional asset retirement obligations are recorded at $1,650,159 and $1,580,875 as of September 30, 2011 and 2010, respectively. These obligations are recorded in other long-term liabilities in the consolidated balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations. During 2011 and 2010, there were no significant retirement obligations incurred or settled. Accretion expense of $66,284 and $64,576 was recorded during the years ended September 30, 2011 and 2010, respectively.

7. Long-Term Debt and Capital Leases

A summary of long-term debt at September 30 is as follows:

	2011	2010
Variable rate $46,730,000 RIHEBC 2008 Series A bonds, final maturity in 2032	$ 41,655,000	$ 42,985,000
Variable rate $38,210,000 RIHEBC 2008 Series B bonds, final maturity in 2037	29,885,000	31,515,000
Fixed rate $12,000,000 RIHEBC 2010 Series bonds, final maturity in 2031	11,793,682	-
Fixed rate $16,000,000 RIHEBC 2011 Series bonds, final maturity in 2031	16,000,000	-
Term, $300,000 RIHEBC equipment note, final maturity in 2014	97,058	131,919
Term, $2,250,000 BankRI mortgage note, final maturity in 2015	-	2,006,936
Term, $3,750,000 Bank of America mortgage note, final maturity in 2015	2,593,750	2,781,250
Term, $4,000,000 Time Insurance Company mortgage note, final maturity in 2027	3,671,380	3,759,163
Capital lease obligations	6,184,338	8,837,039
Total long-term debt and capital lease obligations	111,880,208	92,016,307
Less: Current portion of long-term debt and capital lease obligations	(5,913,883)	(5,976,801)
Long-term debt and capital lease obligations, excluding current portion	$ 105,966,325	$ 86,039,506

Rhode Island Health and Educational Building Corporation (RIHEBC) Bonds
In 2008, the Health System issued RIHEBC 2008 Series A variable rate bonds of $46,730,000. The bonds have mandatory sinking fund redemptions ranging from $1,380,000 in 2012 to $2,735,000 in 2032.

In 2008, the Health System issued RIHEBC 2008 Series B variable rate bonds of $38,210,000. The bonds have mandatory sinking fund redemptions ranging from $1,315,000 in 2012 to $660,000 in 2013, with a final payment of $1,810,000 in 2037.

The proceeds from the CNE 2008 Series A bonds were used to (1) refund the outstanding CNE 2002 Series A bonds, and (2) pay certain expenses related to the issuance of the CNE 2008 Series A bonds. The proceeds from the CNE 2008 Series B bonds were used to (1) defease a portion of the outstanding CNE 2002 Series B bonds, and (2) finance a portion of WIH's Certificated of Need project consisting of the construction, equipping, and furnishing of a five-story addition to WIH's existing hospital building, (3) finance a portion of routine capital improvements, and (4) pay certain expenses related to the issuance of the CNE 2008 Series B bonds. The CNE 2002 Series B bonds were defeased by depositing a portion of the proceeds of the CNE 2008 Series B bond proceeds and money contributed by the Obligated Group members, Butler, Kent, WIC and WIH in an account held by the trustee for the CNE 2002 Series B bonds to provide funds as and when necessary to pay the principal and interest on the CNE 2002 Series B bonds. The refunding trust of $1,208,013 has sufficient fixed income securities to meet the required payments on the outstanding balances as of September 30, 2011.

The Series A and Series B bonds bear interest at a daily, weekly, or monthly rate, which is payable on the first business day of each month, and on maturity or redemption dates and the fixed rate conversion date. In no event will the interest rate borne by the bonds exceed 10% per annum. Since issuance in 2008, the bonds have borne weekly interest rate. CNE has pledged gross receipts backed by a bank letter of credit which expires on February 1, 2015. The bonds are subject to tender at the option of the owners thereof. To the extent the tendered bonds are not able to be remarketed, the letter of credit bank has committed to purchase the bonds. Amounts advanced by the bank to pay the purchase price on bonds being purchased and not reimbursed to the bank on the date of such drawing will be converted to a credit agreement loan and amortized over three years. CNE, Butler, Kent, WIC, and WIH are jointly and severally liable for repayment.

Under the terms of the Series A and Series B revenue bonds, CNE and the Hospitals are required to make periodic debt service payments with a trustee, which are included with assets limited as to use. The revenue bond indenture and letter of credit agreement also places limits on the incurrence of additional borrowings, and require that the Obligated Group satisfy certain measures of financial performance as long as the bonds are outstanding. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

In 2010, the Health System issued RIHEBC 2010 Series fixed rate bonds of $12,000,000. The bonds have mandatory sinking fund redemptions ranging from $424,000 in 2012 to $813,065 in 2030, with a final payment of $417,695 in 2031. These bonds were issued Direct Purchase Tax Exempt Bank qualified bonds. The bonds bear a fixed interest rate of 3.65% through December, 2017 with 3 year optional tenders through December, 2030. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used by Kent to finance (i) the renovation, equipping and furnishing of existing hospital space to house a ten (10) bed short stay unit: (ii) the construction, equipping and furnishing of a 30,000 square foot ambulatory surgical center with a connection to Kent's existing hospital building and (iii) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of $11,486,297 are included in trustee-held funds in the consolidated balance sheet at September 30, 2011. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

In 2011, the Health System issued RIHEBC 2011 Series fixed rate bonds of $16,000,000. The bonds have mandatory sinking fund redemptions ranging from $607,267 in 2012 to $1,044,574 in 2031. These bonds were issued as unrated private placement tax exempt bonds. The bonds bear a fixed interest rate of 2.99%. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used to finance (i) the construction, equipping and furnishing of a 32,000 square foot addition of Butler's existing hospital facility; (ii) refinancing of the Bank of Rhode Island mortgage held by WIC; (iii) refinancing of certain capital leases; (iv) purchase of capital equipment; (v) capitalized interest and (vi) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of $11,595,442 are included in trustee-held funds in the consolidated balance sheet at September 30, 2011. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

Rhode Island Health and Educational Building Corporation Notes

In 2003, the Health System entered into a $340,000 RIHEBC Equipment Note due March 2003 through February 2010. Monthly interest and principal installments of $4,687 were due at a fixed interest rate of 4.25%. The note was collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.

In 2004, the Health System entered into a $300,000 RIHEBC Equipment Note due July 1, 2004 through June 1, 2014. Monthly interest and principal installments of $3,141 are due at a fixed interest rate of 4.72%. The note is collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.

Bank Mortgage Notes

In 2005, the Health System entered into a $2,250,000 mortgage note with BankRI due July 2005 through June 2015. Interest and principal installments of $14,538 are due monthly, with a final payment of $1,734,954 due June 2015, at a fixed interest rate of 6.03%. The note was collateralized by the real estate purchased. This note was refinanced as part of the RIHEBC 2011 Series bonds. WIH was required to comply with certain debt covenants under the note agreement, including a minimum fixed charge coverage ratio of 1.15 to 1. The Health System had been compliant with these terms.

In 2005, the Health System entered into a $3,750,000 mortgage note with Bank of America due August 2005 through July 2015. Interest and principal installments of $33,837 on August 1, 2005 to $24,883 on May 5, 2015 are due monthly, with a final payment of $1,890,625 due June 2015, at a fixed interest rate of 5.64%. The note is collateralized by the real estate purchased. The Health System is required to comply with certain debt covenants under the note agreement, including a minimum debt service coverage ratio of 1.25 to 1. The Health System has been, and remains, compliant with these terms.

In 2007, the Health System entered into a $4,000,000 mortgage note with Time Insurance Company due October 2007 through September 2027. Interest and principal installments of $25,261 are due monthly, with a final payment of $1,338,527 due September 2027, at a fixed interest rate of 5.79%. The note is collateralized by the real estate purchased.

Interest Rate Swaps

CNE maintains interest rate swap programs on certain of its 2008 Series A and B variable rate revenue bonds. These bonds expose the Health System to variability in interest payments due to changes in interest rates. The Health System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These agreements involve the exchange of fixed rate payments by CNE for variable rate payments from counterparties, based on the Securities Industry and Financial Markets Association (SIFMA) Index.

In 2004, CNE entered into an interest rate swap agreement with Bank of America Investments, effectively converting the $50,000,000 RIHEBC CNE 2002 Series A variable rate debt to a fixed rate of 2.99% for the period of October 1, 2005 through August 1, 2011.

As part of the 2008 Series A & B refinancing, CNE (1) maintained the interest rate swap agreement that was entered into in 2004 with Bank of America Investments which effectively converted $45,400,000 of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 3.02% for the period of February 1, 2008 through August 1, 2011. The notional amount of the swap at September 30, 2010 was $42,860,000, (2) entered into an interest rate swap agreement with Deutsche Bank Group which effectively converts all of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 4.216% for the period of August 1, 2011 through July 1, 2032. The notional amount of the swap at September 30, 2011 was $41,655,000, and (3) entered into an interest rate swap agreement with Morgan Stanley Capital Services which effectively converts all of the RIHEBC CNE 2008 Series B variable rate bonds to a fixed rate of 3.857% for the period of February 1, 2008 through August 31, 2037. The notional amount of the swap at September 30, 2011 and 2010 was $29,885,000 and $33,765,000, respectively.

The Health System uses the interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates. The interest rate swap agreements meet the definition of derivative instruments. However, the change in the market value and cash flow impact of the derivative instruments are accounted for as a nonoperating activity. The swaps, while serving as an economic hedge, do not qualify as an accounting hedge.

The following table summarizes the 2008 Series A and B debt activity for the fiscal years ended September 30:

	2011	2010
Debt outstanding		
October 1 – August 31	$ 74,500,000	$ 78,035,000
September 1 – September 30	$ 71,540,000	$ 74,500,000
Weighted-average bonds outstanding	$ 74,253,333	$ 77,740,417
Interest payments to bondholders plus letter of credit fees paid to bank	$ 443,848	$ 461,610
Net cash payments on interest rate swaps	2,463,050	2,477,873
	$ 2,906,898	$ 2,939,483
Effective interest rate	3.91 %	3.78 %
Market value of swap agreements at September 30	$ (11,356,534)	$ (9,816,848)
Change in market value of swap agreements	$ (1,539,686)	$ (3,675,851)

Scheduled principal repayments on long-term debt are as follows for the years ended September 30:

2012	$ 4,032,647
2013	3,462,863
2014	3,570,614
2015	5,508,585
2016	3,599,783
Thereafter	85,521,378
	$ 105,695,870

Care New England had available $15,000,000 during 2010 and through August 12, 2011 through a line of credit with a financial institution. There were no outstanding balances on the line of credit as of September 30, 2011 and 2010.

The Hospitals classify certain noncancelable leases as capital leases, and include the property under lease in their property and equipment. Amortization expense for these assets is included in depreciation and amortization expenses in the consolidated statements of operations and changes in net assets. Ownership of the leased property converts to the Hospitals at the end of the lease term. Assets and related accumulated depreciation under the capital leases are included in property, plant and equipment (Note 6).

Future minimum lease payments due under capital lease arrangements are as follows:

2012	$ 2,239,991
2013	1,904,260
2014	1,317,236
2015	724,492
2016	224,155
Thereafter	1,288,488
Total minimum lease payments	7,698,622
Less: Amount representing interest	1,514,284
Capital lease obligations at September 30, 2011	$ 6,184,338

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2011	2010
Healthcare services	$ 17,671,618	$ 17,360,187
Healthcare research	6,785,050	6,816,908
General purposes	7,306,745	7,761,408
Indigent care	2,483,848	2,617,636
Health education	1,945,865	2,000,500
Plant replacement and expansion	6,547,723	3,887,073
Endowment	3,254,498	3,550,816
Other	951,859	2,688,084
Total temporarily restricted net assets	$ 46,947,206	$ 46,682,612

Permanently restricted net assets at September 30 are restricted investments to be held in perpetuity.

	2011	2010
Plant replacement and expansion	$ 10,074,539	$ 10,574,465
Indigent care	877,018	874,506
General purposes	1,603,481	1,603,481
Research	560,279	554,191
Healthcare services	4,007,497	3,918,334
Health education	1,013,514	1,006,693
Total permanently restricted net assets	$ 18,136.328	$ 18,531,670

RIDOH 0875

The Health System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 as they relate to its permanently restricted endowments. The Health System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System classifies restricted donor funds in accordance with the laws of the State of Rhode Island and generally accepted accounting principles. The Health System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the Health System and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Health System.

For the year ended September 30, 2011, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 17,801,565	$ 7,957,205	$ 25,758,770
Investment return			
Investment income	333,250	504	333,754
Net appreciation (realized and unrealized)	(1,066,399)	-	(1,066,399)
Total investment return	(733,149)	504	(732,645)
Contributions	(37,149)	104,080	66,931
Appropriation of endowment assets for expenditure	(328,291)	-	(328,291)
Endowment net assets at end of year	$ 16,702,976	$ 8,061,789	$ 24,764,765

For the year ended September 30, 2010, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 21,172,035	$ 7,804,023	$ 28,976,058
Investment return			
Investment income	416,852	547	417,399
Net appreciation (realized and unrealized)	1,554,990	-	1,554,990
Total investment return	1,971,842	547	1,972,389
Contributions	2,394,766	152,635	2,547,401
Appropriation of endowment assets for expenditure	(2,535,646)	-	(2,535,646)
Endowment net assets at end of year	$ 23,002,997	$ 7,957,205	$ 30,960,202

In addition to permanently restricted endowments, Kent is an income beneficiary of various trusts. On September 30, 2011 and 2010, the market value of the trust assets, which are recorded as permanently restricted net assets, totaled $10,074,539 and $10,574,465, respectively. Distributions of income are made at the discretion of the trustees.

It is the policy of the Health System that any appropriations from the appreciation in endowment funds are periodically requested of and approved by the Board of Trustees.

The Boards have responsibility for formulating investment policy. The investment policy is to invest in a conservative asset portfolio with minimal investment risk. Certain funds are included in a consolidated long term investment pool and invested in accordance with the investment strategy, authorized by the Boards.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are immaterial as of September 30, 2011 and 2010. These deficiencies resulted from unfavorable market fluctuations. The individual donor-restricted endowment funds with deficiencies will retain future income and appreciation to restore the required fair value of the assets.

During fiscal 2011 and 2010, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2011	2010
Healthcare services	$ 1,541,279	$ 5,771,899
Healthcare research	18,205	1,118,390
Plant replacement and expansion	3,419,281	4,792,191
Other	1,046,630	1,520,773
Health education	282,197	213,630
Indigent care	107,075	108,307
Total net assets released from restrictions	$ 6,414,667	$ 13,525,190

9. Retirement Plans

The Health System has two separate pension plans. One plan covers the employees of CNE and the Hospitals, with the exception of the unionized employees of WIH (who are covered under a multiemployer union plan) and certain WIH-employed physicians. The other plan covers the employees of the Agency.

Care New England Pension Plan
The Care New England Pension Plan (the "Plan"), established on October 1, 1998, is a defined benefit cash balance plan that covers all of the employees of CNE, and all of the Hospitals' employees, with the exception of the unionized employees and certain employed physicians at WIH. The benefits for the unionized employees at Butler are computed under a separate formula that was in effect when the Butler plan was a standalone noncontributory defined benefit plan. The Hospitals incur and fund their respective pension plan expenses within the guidelines established by the Employee Retirement Income Security Act of 1974.

The Care New England Board of Trustees voted, on September 23, 2010, to freeze the Plan effective December 31, 2010 for all employees with the exception of the Butler unionized employees. Effective December 31, 2010, compensation paid to a participant shall be disregarded for plan purposes, except for purposes related to determining benefits for the unionized employees at Butler. In addition, a participant's cash balance account will only increase annually for interest credit. As a result, the System realized a gain on the curtailment of the Plan in the fiscal year ending September 30, 2010 of $3,194,728, which is recorded in pension expense. In connection with the Plan freeze, the Health System will enhance contributions to the Care New England 403(b) Match and Savings Plan.

Included in cumulative changes in unrestricted net assets at September 30, 2011 that has not yet been recognized in net periodic pension cost is an actuarial loss of $70,950,846. Included in changes in unrestricted net assets at September 30, 2010 that has not yet been recognized in net periodic pension cost is an actuarial loss of $52,006,974.

The actuarial loss included as cumulative changes in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2012 is $1,471,248.

Net periodic pension cost includes the following components at September 30:

	2011	2010
Service cost	$ 4,078,458	$ 10,360,836
Interest cost	11,114,337	10,601,834
Expected return on plan assets	(13,523,703)	(13,150,540)
Amortization of prior service cost	-	(728,403)
Amortization of loss	1,012,569	1,906,636
Net periodic pension expenses	$ 2,681,661	$ 8,990,363
Curtailment	$ -	$ 3,194,728

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2011	2010
Discount rate	5.26 %	5.50 %
Expected return on assets	7.75	8.25
Rate of compensation increase	4.00	4.00

The following table presents a reconciliation of the beginning and ending balances of the plan projected benefit obligations, fair value of plan assets, funded status, and accumulated other comprehensive income (AOCI) of the plan as of September 30:

	2011	2010
Changes in benefit obligations		
Projected benefit obligations at beginning of period	$ 216,299,180	$ 197,178,743
Service cost	4,078,458	10,360,836
Interest cost	11,114,337	10,601,834
Actuarial loss	4,380,881	13,714,782
Benefits and expenses paid	(14,818,634)	(13,608,066)
Curtailment	-	(1,948,949)
Projected benefit obligations at end of period	$ 221,054,222	$ 216,299,180
Changes in plan assets		
Fair value of plan assets at beginning of period	$ 170,778,388	$ 156,816,240
Actual return on plan assets	(2,059,857)	15,087,214
Employer contributions	15,325,000	12,475,000
Benefits and expenses paid	(14,818,634)	(13,608,066)
Fair value of plan assets at end of period	$ 169,224,897	$ 170,770,388
Funded status		
Total pension liability	$ (51,829,325)	$ (45,528,792)
Accumulated benefit obligation	218,932,069	214,765,024
Unrestricted net assets		
Unrestricted net assets at beginning of period	$ 52,006,974	$ 40,161,320
Less amounts amortized during the year		
Net prior service credit	-	(3,923,131)
Net loss	1,012,569	3,855,585
Plus amounts occurring during the year		
Net loss	19,956,441	11,778,108
Unrestricted net assets at end of period	$ 70,950,846	$ 52,006,974

The assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2011	2010
Discount rate	5.03 %	5.26 %
Rate of compensation increase	4.00 %	4.00 %

Plan Assets

The Plan's investment objectives are to achieve long-term growth in excess of inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets. In order to minimize risk, the Plan attempts to minimize the variability in yearly returns. The Plan diversifies its holdings among sectors, industries, and companies. No more than 6% of the Plan's portfolio (measured on market value) may be held in an individual company's stocks or bonds.

To develop the expected long-term rate of return on plan assets assumption, the Health System considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The Health System's pension plan asset allocations (based on market value) at September 30, by asset category, are as follows:

	Target Allocation	Actual 2011	Actual 2010
Asset category			
Alternative investments	28 %	26 %	26 %
Fixed income securities	20	24	30
Equity securities	52	50	44
	100 %	100 %	100 %

Contributions

The Health System contributed $15,325,000 and $12,475,000 to the Plan in 2011 and 2010, respectively. The Health System expects to contribute $12,250,000 to the Plan in 2012.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Pension Benefits
2012	$ 15,300,000
2013	15,600,000
2014	15,700,000
2015	16,200,000
2016	16,100,000
Years 2017–2021	81,400,000

Care New England 403(b) Match and Savings Plan

As a result of the Pension Plan Protection legislation, regulatory changes impacting matching credits previously recorded in the CNE Pension Plan were discontinued effective January 1, 2009. As a result, CNE established the Care New England 403(b) Plan to account for future matching credits. The plan covers employees that meet certain eligibility requirements. The Health System recorded an expense of $2,904,069 and $2,776,391 for fiscal years ended September 30, 2011 and 2010, respectively. The Health System funded $2,682,349 and $2,657,261 in fiscal 2011 and 2010 to the plan for the calendar year 2010 and 2009 matching credits, respectively.

Effective January 1, 2011, in connection with the freeze of the Care New England Pension Plan, the Health System will provide a nonelective contribution to participant accounts, as defined in the Plan document. Nonelective contributions will be allocated to each eligible participant based on a percentage of salary based on a combination of the recipients age and years of service, and will be credited to each such participant as of the first day of the Plan year, as further described in the Plan document. As a result, the Health System recorded an expense of $8,941,660 for fiscal year ended September 30, 2011, which will be funded in fiscal 2012.

WIH Union Plan

Payments to a multiemployer pension plan covering union employees at WIH for the years ended September 30, 2011 and 2010 were $7,766,513 and $7,535,000, respectively.

Kent County Visiting Nurse Association Pension Plan

The Agency has a noncontributory defined benefit pension plan covering all employees who have satisfied certain eligibility requirements that was frozen effective December 31, 2007, and replaced with a contributory retirement savings plan. Benefits under the defined benefit plan were based on years of service and employee's compensation levels.

Included in the charge to net assets at September 30, 2011 and 2010 is an unrecognized actuarial loss of $3,303,783 and $2,708,723, respectively. The actuarial loss expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2012 is $292,510.

The Agency's pension expense was $187,497 in 2011 and $165,914 in 2010.

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2011	2010
Discount rate	5.00 %	5.50 %
Expected return on assets	7.50 %	7.50 %
Rate of compensation increase	N/A	N/A

The assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2011	2010
Discount rate	4.75 %	5.00 %
Rate of compensation increase	N/A	N/A

To develop the expected long-term rate of return on plan assets assumption, the Agency considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Plan assets, valued at fair value, consist of 3% cash and cash equivalents and 97% mutual funds. The fair value of the Plan assets were $5,466,732 and $5,410,313 at September 30, 2011 and 2010, respectively.

The Agency made required contributions to the Plan of $308,354 and $97,165 in 2011 and 2010, respectively. The Agency is expected to make $330,826 in contributions to the Plan during 2012. Benefit payments are expected to be paid as follows:

Fiscal Year	Pension Benefits
2012	$ 227,000
2013	236,000
2014	246,000
2015	291,000
2016	317,000
Years 2017–2021	2,403,000

Effective January 1, 2008, the Agency established a 403(b) Retirement Savings Plan that covers employees who have met certain eligibility requirements. Discretionary contributions to the plan are based on years of service and compensation levels. For the fiscal years that ended September 30, 2011 and 2010, respectively, the Agency recorded an expense of $244,703 and $227,728.

10. Postretirement Plans

Kent sponsors an unfunded noncontributory defined benefit postretirement plan that provides medical and dental benefits to certain salaried and nonsalaried employees. In 1996, Kent amended the plans to eliminate benefits for all employees, except for certain employees with at least 25 years of service at that date.

Included in the charge to net assets are the following amounts that have not yet been recognized in net periodic postretirement benefit cost as of September 30, 2011 and 2010, respectively: unrecognized net transition obligation of $354,751 and $451,750 and unrecognized actuarial loss of $192,355 and $278,826. The unrecognized net transition obligation and actuarial gain expected to be recognized in net periodic postretirement costs during the fiscal year ended September 30, 2012 are $97,000 and $0, respectively.

The postretirement benefit cost for these plans was $206,032 in 2011 and $759,771 in 2010. Included in the benefit cost for the plan in 2010 was $581,795 related to the costs of offering an early retirement program.

11. Patient Service Revenue

For the majority of the System's revenue, the Hospitals and the Agency have agreements with third-party payors that provide for payments to the Hospitals and the Agency at amounts different from their established rates. At the time of rendering service to the patients, the Hospitals and the Agency obtain assignment of benefits payable under the patient's health insurance program, plan, or policy (e.g., Medicaid, Blue Cross, health maintenance organizations, commercial insurance, Medicare, and others). The following is a breakdown of gross patient service revenue by payor type for the years ended September 30:

	2011	2010
Medicare and Medicare Managed Care	32 %	31 %
Medicaid and Medicaid Managed Care	20	20
Blue Cross	26	26
Managed care	11	11
Self-pay	4	4
Other third-party payors	7	8
	100 %	100 %

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there will always be a possibility that the recorded estimates of net revenue could change by a significant amount in the future. The Hospitals and the Agency believe they are in compliance with all applicable laws and regulations. Cost reports filed annually with third-party payors are subject to audit prior to final settlement. The Hospitals and the Agency are compliant with all reimbursement filings. A summary of cost report activity as of September 30, 2011 is as follows:

Medicare: Cost reports for the Hospitals and the Agency have been filed through 2010, and settled through 2010 for the Agency, 2008 for Butler, and 2006 for Kent and WIH.

State of Rhode Island (Medicaid): Cost reports have been filed through 2010, and settled through 2006 for Butler, Kent and WIH.

The filing of these cost reports and associated settlements require the use of estimates. Net patient service revenue was increased by approximately $3,286,300 and $4,411,454 in 2011 and 2010, respectively, to reflect the changes in the estimated settlements for certain prior years.

12. Disproportionate Share

The government has long recognized the financial burdens which are borne by hospitals which serve an unusually large number, or "disproportionate share", of low-income patients. Kent and WIH received disproportionate share payments of $27,734,289 and $24,190,258 from the State of Rhode Island's Medicaid program for the years ended September 30, 2011 and 2010, respectively. Kent and WIH also recorded disproportionate share payments of $4,936,177 and $4,740,205 from Medicare during 2011 and 2010, respectively.

RIDOH 0883

13. Concentration of Credit Risk

As of September 30, 2011 and 2010, Care New England, the Hospitals, and the Agency had cash and cash equivalents in excess of Federal Depository Insurance limits at major financial institutions. These financial institutions have a strong credit rating, and management believes that credit risks related to these deposits are minimal.

The Hospitals and the Agency receive a significant portion of its payment for services rendered from a limited number of governmental and commercial third-party payors, including Medicare, Medicaid, and Blue Cross. The organization has not historically incurred any significant concentrated credit losses in the normal course of business.

In addition, the organizations routinely grant credit to patients without requiring collateral or other security. The mix of receivables, net of contractual allowances, from patients and third-party payors at September 30, 2011 and 2010, was as follows:

	2011	2010
Medicare and Medicare Managed Care	11 %	11 %
Medicaid and Medicaid Managed Care	29	30
Blue Cross	20	16
Managed care	12	9
Self-pay	16	19
Other third-party payors	12	15
	100 %	100 %

The Health System provides an allowance for uncollectible accounts to address the risks of nonpayment of accounts receivable.

14. Commitments and Contingencies

Operating Leases

Care New England, the Hospitals, and the Agency have entered into operating lease agreements with several vendors for the lease of certain equipment and office space. Future minimum lease payments under noncancelable operating leases as of September 30, 2011 are:

2012	$ 5,595,458
2013	4,501,011
2014	4,048,572
2015	3,347,513
2016	3,124,235
Later years	41,854,414
Total minimum lease payments	$ 62,471,203

Total rent expense for operating leases for the years ended September 30, 2011 and 2010 amounted to $5,942,924 and $5,545,102, respectively.

RIDOH 0884

Butler has entered into several agreements with various parties, mostly nonprofit organizations, to lease space on the Butler campus. Rental income in the amount of $3,007,056 and $2,939,233 for the fiscal years ending September 30, 2011 and 2010, respectively, is included in other operating revenue in the consolidated statements of operations.

Litigation
CNE, the Affiliates, and the Agency have been individually named as codefendants in several complaints. It is the opinion of management that the liability, if any, to CNE, the Affiliates, and the Agency in excess of insurance coverage will have no material adverse effect on the consolidated financial position of Care New England.

Collective Bargaining Agreements
At September 30, 2011, approximately 40% of the Health System's employees were covered by collective bargaining agreements. The collective bargaining agreement covering 49% of the Agency's employees will expire on May 31, 2012, and be subject to negotiation. The remaining bargaining agreements will be in effect through fiscal 2012.

15. Professional and General Liability Claims

Due to strategic and economic issues, as well as the potential for limited availability of commercial insurance policies, the Care New England entities have moved over time to covering the majority of their professional and general liability insurance to self-insured approaches. The adequacy of the coverage provided, reserves, and the funding levels are evaluated annually by independent actuaries who review the soundness of the programs and recommend future funding levels. Potential losses are estimated based on industry as well as entity experience, and a provision for these losses is recorded.

Butler annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage. Butler's professional liability coverage for claims in excess of its primary coverage limits is provided by W&I Indemnity.

Kent Hospital established Toll Gate Indemnity in 2004, as an off-shore captive insurance entity to insure primary and excess hospital professional and general liability risks, as well as to supply indemnification coverage for certain eligible medical staff.

WIH annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage.

In addition to the trust fund, WIH established W&I Indemnity in 1994, as an off-shore captive insurance entity to provide coverage for claims in excess of its underlying policy, as well as to insure the contractual liability arising from indemnification agreements with certain eligible medical staff.

The provisions for anticipated losses were based upon expected undiscounted values. Trust fund and captive assets are available for the payment of claims.

CNE Wellness Centers, LLC and the Agency purchase general and professional liability insurance from Toll Gate Indemnity.

16. Other Self-Insurance Reserves

Care New England has established a workers' compensation trust fund to cover all past and future self-insured claims of workers' compensation activity for CNE, the Hospitals, and the Agency. The reserve for workers' compensation losses is based on an actuarial study and actual experience. At September 30, 2011 and 2010, the amounts accrued for estimated self-insurance costs have not been discounted.

CNE, on behalf of itself, the Hospitals, and the Agency, has entered into a self-insurance program for health insurance risks. This program covers the health insurance claims for all of CNE's, the Hospitals', and the Agency's employees, with the exception of the unionized employees at WIH. The provisions for health insurance losses are based on actuarial assumptions and actual claims experience.

17. Affiliation With Rhode Island Hospital

In 1981, RIH and WIH approved an agreement providing for the affiliation of the two Hospitals. The affiliation agreement provides for a program of shared medical services, thereby greatly increasing the scope of comprehensive acute-care services available to WIH in maternal, gynecological, and neonatal care. In accordance with the agreement, the Hospital relocated to the property of RIH.

18. Affiliation With Accredited Medical Schools

Butler and WIH are affiliated with the Warren Alpert Medical School of Brown University. The affiliation agreements provide that Butler and WIH will be the principal academic medical centers for psychiatry and healthcare unique to women and newborns, respectively. Kent is affiliated with the University of New England College of Osteopathic Medicine.

19. Functional Expenses

CNE provides healthcare services to residents within their geographic service areas. Expenses related to providing these services for the years ended September 30 are as follows:

	2011	2010
Healthcare services	$ 660,293,951	$ 630,931,072
General and administrative	166,113,749	155,499,660
	$ 826,407,700	$ 786,430,732

20. Fair Value of Financial Instruments

The Health System calculates fair value defined in ASC Topic 820 to value its financial assets and liabilities, where applicable. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. Topic 820 applies to other accounting pronouncements that require or permit fair value measurements, and does not require new fair value measurements. Fair value measurements, are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

RIDOH 0886

ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1 Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2 Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3 Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Health System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers nonperformance risk in its assessment of fair value.

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Fair value for Level 3 is based upon unobservable inputs for the asset (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset (including assumptions about risk).

The Health System's ownership in alternative investments is limited partnership interests in private equity funds. The value of certain alternative investments represents the ownership interest in the Net Asset Value (NAV) of the respective partnership. The NAV of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities related. The Health System has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of September 30.

The fair value of interest rate swap agreements is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, treasury yields, and credit spreads.

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2011 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 26,995,197	$ 2,413,681	$ -	$ 29,408,878
Fixed income securities	44,964,224	30,501,011	90,901	75,556,136
Equity securities	52,221,158	-	23,685	52,244,843
Alternative investments	-	16,107,216	13,713,965	29,821,181
Auction rate securities	-	-	10,598,691	10,598,691
Mutual funds	31,834,194	53,494,363	-	85,328,557
Other	28,590,839	-	-	28,590,839
	$ 184,605,612	$ 102,516,271	$ 24,427,242	$ 311,549,125
Liabilities				
Interest rate swap agreements	$ -	$ (11,356,534)	$ -	$ (11,356,534)

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2010 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 15,247,264	$ 3,233,538	$ -	$ 18,480,802
Fixed income securities	21,937,224	15,643,102	-	37,580,326
Equity securities	67,008,266	-	87,912	67,096,178
Alternative investments	-	-	14,528,650	14,528,650
Auction rate securities	-	-	19,817,913	19,817,913
Mutual funds	81,380,519	1,786,390	-	83,166,909
Other	27,413,827	-	-	27,413,827
	$ 212,987,100	$ 20,663,030	$ 34,434,475	$ 268,084,605
Liabilities				
Interest rate swap agreements	$ -	$ (9,816,848)	$ -	$ (9,816,848)

The amounts reported in the financial instruments table exclude certain alternative investments valued at approximately $5,770,226 as of September 30, 2011 and $8,524,103 as of September 30, 2010, which are valued at cost (Notes 2 and 5).

RIDOH 0888

Financial instruments carried at fair value for assets invested in the Defined Benefit Pension Plan as of September 30, 2011 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 4,844,943	$ 1,026	$ -	$ 4,845,969
Fixed income securities	25,899,100	-	-	25,899,100
Equity securities	19,023,296	-	-	19,023,296
Mutual funds	-	-	-	-
Alternative investments	-	41,611,960	77,844,572	119,456,532
	$ 49,767,339	$ 41,612,986	$ 77,844,572	$ 169,224,897

Financial instruments carried at fair value for the Defined Benefit Pension Plan assets as of September 30, 2010 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 8,715,153	$ -	$ -	$ 8,715,153
Fixed income securities	30,998,418	-	-	30,998,418
Equity securities	19,536,877	-	-	19,536,877
Mutual funds	4,582,447	-	-	4,582,447
Alternative investments	-	40,615,786	66,321,707	106,937,493
	$ 63,832,895	$ 40,615,786	$ 66,321,707	$ 170,770,388

During the years ended September 30, 2011 and 2010, respectively, the changes in the fair value for the System's financial instruments in the nonpension plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Fixed Income Securities	Equity Securities	Alternative Investments	Auction Rate Securities	Total Investments
Fair value at October 1, 2010	$ -	$ 87,912	$ 14,528,650	$ 19,817,913	$ 34,434,475
Total gains (losses)					
Dividends and interest income	3,235	606	236,514	-	240,355
Net realized gains on investments	-	-	339,441	548,826	888,267
Change in net unrealized appreciation on investments	1,123	(6,153)	(2,689,188)	(18,048)	(2,712,266)
Purchases	-	14,976	9,900,000	-	9,914,976
Sales	(28,883)	(15,456)	(10,918,332)	(9,750,000)	(20,712,671)
Transfers in and/or out of Level 3	115,426	(58,200)	2,316,880	-	2,374,106
Fair value at September 30, 2011	$ 90,901	$ 23,685	$ 13,713,965	$ 10,598,691	$ 24,427,242

RIDOH 0889

	Assets Held Under Split-Interest Agreements
Fair value at October 1, 2010	$ 10,574,465
Unrealized losses	(499,926)
Fair value at September 30, 2011	$ 10,074,539

	Equity Securities	Alternative Investments	Auction Rate Securities	Total Investments
Fair value at October 1, 2009	$ 30,152	$ 10,224,455	$ 22,735,000	$ 32,989,607
Total gains (losses)				
Dividends and interest income	-	55,489	-	55,489
Net realized gains on investments	(440)	(4,980)	198,358	192,938
Change in net unrealized appreciation on investments	-	(298,648)	109,556	(189,092)
Purchases		4,096,590	-	4,096,590
Sales	-	35,547	(3,225,001)	(3,189,454)
Transfers in and/or out of Level 3	58,200	420,197	-	478,397
Fair value at September 30, 2010	$ 87,912	$ 14,528,650	$ 19,817,913	$ 34,434,475

	Assets Held Under Split-Interest Agreements
Fair value at October 1, 2009	$ 9,840,045
Unrealized gains	734,420
Fair value at September 30, 2010	$ 10,574,465

During the year ended September 30, 2011 and 2010, the changes in the fair value for the System's financial instruments invested in the System's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	2011	2010
Balance at beginning of year	$ 66,321,707	$ 62,108,253
Total gains (losses)		
Dividends and interest income	341,450	162,832
Net Realized gains on investments	5,672,999	1,224,135
Change in net unrealized appreciation on investments	(7,099,511)	3,326,487
Purchases	25,848,927	6,500,000
Sales	(13,241,000)	(7,000,000)
Balance at end of year	$ 77,844,572	$ 66,321,707

RIDOH 0890

The Health System uses NAV to determine the fair value of its investments which do not have a readily determinable fair market value. The following table summarizes the key provisions for the Health System's nonpension plan investments as of September 30, 2011, which are valued at NAV. There were no outstanding unfunded commitments at September 30, 2011.

	Net Asset Value	Redemption Terms
Limited Partnership	$ 869,786	Minimum of $100,000 on the last day of a fiscal quarter upon 75 day prior written notice, Subject to Early Withdrawal Fees.
Fixed Income	2,397,716	Bi-monthly upon 30 day prior written notice.
Common Collective Trust	1,349,445	Monthly upon 30 day prior written notice.
Common Collective Trust	3,784,534	Bi-monthly upon 5 day prior written notice.
Common Collective Trust	1,567,280	Monthly upon 10 day prior written notice.
International Equity	10,456,762	First day of each month.
Absolute Return	8,815,478	Bi-monthly upon 5 day prior written notice.
Hedge Fund	3,745,205	End of each quarter with 90 day prior written notice
Alternative Investments		
Common Collective Trust	1,214,210	Bi-monthly with a limit of 4% each month. Unredeemed monthly allocations are banked towards future redemptions.
Common Collective Trust	4,436,243	Daily with a minimum of $25,000 upon written notification by 3PM EST.
	$ 38,636,659	

The following methods and assumptions were used in estimating the fair value of financial instruments other than investments:

Accounts payable and accrued expenses: The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.

Long-term debt: The Health System's long-term debt obligations are reported in the accompanying statements of financial position at principal value less unamortized discount or premium, which totaled approximately $106 million at September 30, 2011, excluding capital leases. The estimated fair value of the Health System's long-term debt as of September 30, 2011 approximated its carrying value.

21. Termination of Affiliation Agreement With Lifespan

In July 2007, Care New England Health System and Lifespan Corporation entered into an Affiliation Agreement under which Care New England and its affiliates would merge into Lifespan Corporation. From the time of the execution of this agreement through early 2010, the parties endeavored to procure regulatory approvals required to consummate this transaction. The parties mutually agreed to terminate the Affiliation Agreement in February 2010.

22. Subsequent Event

Care New England Health System has assessed the impact of subsequent events through December 22, 2011, the date the audited financial statements were issued and has concluded that there were no such events that require adjustments to the audited financial statements or disclosure in the notes to the audited financial statements.

RIDOH 0892

Supplementary Consolidating Financial Statements

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 16,383,496	$ 6 759.981	$ 37,089,536	$ (13,910,768)	$ (4,094,056)	$ -	$ 42,228,189
Investments	1,645,743	-	1,983,158	26,909,317	-	-	30,538,218
Patient accounts receivable	6,695,474	53,675.679	65,956,627	-	2,063,680	-	128,391,460
Less Estimated uncollectible	(1,008,034)	(18,023,227)	(13,124,110)	-	(411,843)	-	(32,567,214)
Net patient accounts receivable	5.687,440	35,652,452	52,832,517	-	1,651,837	-	95,824,246
Other receivables	2,486,892	5,561 791	10,819,886	116,676	199,991	-	19,185,236
Pledges receivable, net	183,340	554 200	923,283	-	-	-	1,660,823
Other current assets	836,258	4,554,845	2,438,867	1,617,264	43,002	-	9,490,236
Current portion of assets whose use is limited	679,392	1,109,335	2,281,783	10,021	-	-	4,080,531
Due from affiliates – other	4 071,228	2,620,530	1,547,503	11,493,346	140,399	(19,873.006)	-
Due from affiliates – debt	-	-	-	95,723,122	-	(95,723,122)	-
Total current assets	31,973,789	56,813,134	109,916,533	121,958,978	(2,058,827)	(115,596,128)	203,007,479
Assets whose use is limited or restricted as to use							
Endowment funds	13,944,405	13,715,541	7,333,101	-	-	-	34,993,047
Board-designated funds	3,965,894	20,633,295	55,075,397	-	548,587	-	80,223,173
Trustee-held funds	12,164,645	34,934,344	112,106,857	1,412,230	-	-	160,618,076
Deferred compensation funds	1,793,847	1,070,079	1,113,087	280,212	94,421	-	4,351,646
Total assets limited as to use	31,868,791	70,353.259	175,628,442	1,692,442	643,008	-	280,185,942
Less: Amounts required to meet current obligations	(679,392)	(1 109,335)	(2,281,783)	(10,021)	-	-	(4,080,531)
Noncurrent assets limited as to use	31,189,399	69,243,924	173 346,659	1,682,421	643,008	-	276,105,411
Property. plant and equipment, net	21,815,094	68,277,037	157,203,527	2,685,977	813,908	-	250,795,543
Pledges receivable net	374,391	1,790,034	798,862	-	-	-	2,963,287
Investments	816,698	-	3,266,796	2 511,697	-	-	6,595,191
Other assets	50,791	1,295,024	314,679	319,060	-	-	1,979,554
Total assets	$ 86,220,162	$ 197,419,153	$ 444,847,056	$ 129,158,133	$ (601,911)	$ (115,596,128)	$ 741,446,465

RIDOH 0894

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 10,004,744	$ 35,845,305	$ 35,567,640	$ 11,754,804	$ 2,144,728	$ -	$ 95,317,221
Current portion of estimated third-party payor settlements and advances	869,213	2,827,844	10,568,241	-	243,802	-	14,509,100
Current portion of long-term debt and capital leases	228 748	1,412,303	512,728	3,726,267	33 837	-	5.913 883
Current portion of long-term debt, due to parent	573,324	941.388	2,091,940	-	-	(3,606,652)	-
Pension liability	1 541 469	5,452,964	2,872,294	1,412,335	99,138	-	11,378,200
Interest rate swap	-	-	-	-	-	-	-
Other current liabilities	1.448.665	91.967	5,098,545	-	257,992	-	6,897,169
Due to affiliates	1,943,826	7.903,957	5,452,012	3,755,579	817,632	(19,873.006)	-
Total current liabilities	16,609.989	54,475,728	62,163,400	20,648,985	3.597,129	(23,479,658)	134,015,573
Long term liabilities							
Self-insurance reserves	2.068,466	25,611,122	78,300.993	11,935,955	-	-	117,916,536
Long-term portion of third-party payor settlements and advances	2,007,520	5.063,286	12,585,738	-	-	-	19 656.544
Long-term debt and capital leases	5,003 058	2,886,378	2,406,253	95,607,415	63,221	-	105,966.325
Pension liability	8,497,658	26,656,414	12,839,480	3,835.775	2,697,620	-	54,526,947
Postretirement liability	-	1,973,659	-	-	-	-	1,973,659
Interest rate swaps	-	-	-	11,356,534	-	-	11,356,534
Other liabilities	2,232.278	2,193,627	2,535,715	299,509	195 717	-	7.456,846
Due to parent, long-term debt	15,086,636	26,469,537	50,560,297	-	-	(92,116,470)	-
Total long-term liabilities	34,895,616	90,854,023	159,228,476	123,035,188	2,956,558	(92,116,470)	318,853,391
Net assets							
Unrestricted	15,461,497	34,886,690	194.827,418	(14,526,040)	(7,155,598)	-	223,493,967
Temporarily restricted	16,823,913	5,630,584	24,492,709	-	-	-	46,947,206
Permanently restricted	2.429,147	11,572,128	4,135,053	-	-	-	18,136.328
Total net assets	34.714,557	52,089,402	223,455,180	(14,526,040)	(7.155,598)	-	288.577,501
Total liabilities and net assets	$ 86,220,162	$ 197,419,153	$ 444,847,056	$ 129,158,133	$ (601,911)	$ (115,596,128)	$ 741,446,465

RIDOH 0895

Care New England Health System and Affiliates
Consolidating Statement of Operations
Year Ended September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Revenues and gains							
Net patient service revenue	$ 64,309,852	$ 299,788,244	$ 375,106 190	$ 248,004	$ 15,792,411	$ (198,609)	$ 755,046.092
Net assets released from restrictions and used for operations	515,141	815,162	1,665,083	-	-	-	2,995,386
Research revenue	10,907,545	-	17,549,294	-	-	-	28,456,839
Other revenue	18,188,183	14,698 760	35.014,775	57.227,710	1,088,816	(71,629,729)	54,588,515
Total revenues and gains	93,920,721	315,302,166	429,335,342	57.475,714	16,881,227	(71.828,338)	841,086,832
Operating expenses							
Salaries and benefits	63.515,803	160,979,258	256,541,949	38,377,253	13,896,113	(6.786,722)	526,523.654
Supplies and other expenses	13,469,899	91,868 376	88,806,181	18,991,309	2,059,710	(64,957,616)	150,237,859
Research expenses	10,901,077	-	17,698 440	-	-	-	28,599,517
Depreciation and amortization	3,324,998	8,873,736	14,694,296	399,972	228,710	-	27,521,712
Insurance	1,790,359	12,540,460	14,783,640	76,674	495,989	(84,000)	29,603.122
Licensure fee	-	13,441,647	17,270,751	-	-	-	30,712,398
Interest	429,729	248.035	576,117	9 240	15,229	-	1,278,350
Provision for uncollectible accounts	1,796,158	24,146 955	5,981,694	-	6,281	-	31,931,088
Total operating expenses	95,228,023	312,098,467	416,353,068	57,854,448	16,702,032	(71,828,338)	826,407,700
Income (loss) from operations	(1,307,302)	3,203,699	12,982,274	(378,734)	179,195	-	14,679,132
Nonoperating gains (losses)							
Investment income on assets limited as to use	820,545	483,038	1,692,236	250,316	23	-	3,246,158
Unrestricted gifts and bequests	58,147	1,130	412,125	100,000	74,588	-	645,990
Change in fair value of interest rate swaps	-	-	-	(1 539,686)	-	-	(1,539,686)
Net payments on interest rate swaps	(138,416)	(507.898)	(1,702,116)	(114,620)	-	-	(2,463,050)
Change in net unrealized losses on investments	(354,523)	(3,972,518)	(8,211,568)	(100,014)	(40,680)	-	(12,679,303)
Nonoperating expenditures	(321,469)	(842,322)	(696,783)	-	(25,655)	-	(1,886.229)
Net nonoperating gains (losses)	64,284	(4,838 570)	(8,506,106)	(1,404,004)	8,276	-	(14,676,120)
Excess (deficiency) of revenues and gains over expenses and losses	$ (1,243,018)	$ (1,634,871)	$ 4,476,168	$ (1,782,738)	$ 187,471	$ -	$ 3,012

RIDOH 0896

Care New England Health System and Affiliates
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2011

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	$ (1.243,018)	$ (1,634.871)	$ 4.476,168	$ (1,782,738)	$ 187,471	$ -	$ 3,012
Pension and postretirement adjustment	(3,118.755)	(9,057,549)	(4,367 310)	(2,216,786)	(595,059)	-	(19.355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	351,935	789,882	2.277.464	-	-	-	3,419,281
Transfers	(8.618)	(27,307)	(37 485)	75,000	(1,590)	-	-
Transfer to deferred revenue	(807,390)	-	(1,834,250)	-	-	-	(2,641,640)
(Decrease) increase in unrestricted net assets	(4,825,846)	(9,929,845)	514,587	(3,924,524)	(409 178)	-	(18,574,806)
Temporarily restricted net assets							
Contributions	1.011 584	3,615.937	2.487,283	-	-	-	7.114,804
Income from investments	197.215	449.984	261.745	-	-	-	908,944
Net realized and unrealized losses from investments	(713,034)	(110,650)	(520,803)	-	-	-	(1,344,487)
Net assets released from restrictions	(867.076)	(1,605,044)	(3.942,547)	-	-	-	(6,414,667)
Increase (decrease) in temporarily restricted net assets	(371.311)	2,350,227	(1,714,322)	-	-	-	264,594
Permanently restricted net assets							
Net realized and unrealized gains (losses) from investments	-	(499,926)	504	-	-	-	(499,422)
Contributions	6,090	15,634	82,356	-	-	-	104,080
Increase (decrease) in permanently restricted net assets	6,090	(484,292)	82.860	-	-	-	(395,342)
Decrease in net assets	(5,191,067)	(8,063 910)	(1,116.875)	(3,924,524)	(409.178)	-	(18,705,554)
Net assets at beginning of year	39,905,624	60,153,312	224,572,055	(10,601,516)	(6,746,420)	-	307,283,055
Net assets at end of year	$ 34.714.557	$ 52,089,402	$ 223,455,180	$ (14,526,040)	$ (7,155,598)	$ -	$ 288,577,501

RIDOH 0897

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2010

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 16,054,008	$ 9,327.359	$ 53,094,889	$ 5.001,310	$ 1,130,139	$ (5,700,000)	$ 78,907,705
Investments	2 539,711	-	-	-	307,286	-	2,846,997
Patient accounts receivable	6,482,983	51,837.116	51,808,602	-	2,199,079	-	112,327.780
Less. Estimated uncollectible	(1,413,776)	(17,868,916)	(11,530,000)	-	(483,353)	-	(31,296.045)
Net patient accounts receivable	5,069,207	33,968,200	40,278,602	-	1,715,726	-	81,031 735
Other receivables	2,178,380	1,264,783	9,027,093	209,647	119,343		12,799.246
Pledges receivable, net	96,082	167.476	1,040,201	-	-	-	1,303.759
Other current assets	836.117	4,343,700	2,571,910	1,736,972	15,051	-	9,503 750
Current portion of assets whose use is limited	265,979	2,319 529	692,005	209,250	43,322	-	3,530,085
Due from affiliates–other	3,222,898	862,067	520,043	4 682,521	228,733	(9,516,262)	-
Due from affiliates–debt	-	-	-	70,774,161	-	(70,774,161)	-
Total current assets	30,262,382	52,253,114	107,224,743	82,613,861	3,559,600	(85,990,423)	189,923,277
Assets whose use is limited or restricted as to use							
Endowment funds	14,566,537	14,313,377	7,883,846	-	-	-	36,763,760
Board-designated funds	3,686,272	19,882.178	52,176,060	-	284,496	-	76,029,006
Trustee-held funds	2,055,070	24,972.547	108,443,522	1,739,436	-	-	137,210 575
Deferred compensation funds	1.576,485	872,652	1,132,221	267,215	91,884	-	3,940,457
Total assets limited as to use	21 884,364	60 040,754	169,635,649	2,006,651	376,380	-	253,943.798
Less Amounts required to meet current obligations	(265,979)	(2,319,529)	(692,005)	(209,250)	(43,322)		(3,530,085)
Noncurrent assets limited as to use	21,618.385	57,721,225	168,943,644	1,797,401	333,058	-	250,413,713
Property, plant and equipment, net	22 172,744	69,381,958	157,939,409	2,798,420	934,772	-	253,227.303
Pledges receivable, net	141,601	151.600	992,237	-	-	-	1,285,438
Investments	2,454,147	-	9,816,603	7.547,163	-	-	19,817,913
Other assets	10,708	541,742	341,831	276,637	-	-	1,170,918
Total assets	$ 76,659,967	$ 180 049,639	$ 445,258,467	$ 95,033,482	$ 4,827,430	$ (85,990,423)	$ 715,838,562

RIDOH 0898

Care New England Health System and Affiliates
Consolidating Balance Sheet
September 30, 2010

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Liabilities and Net Assets							
Current liabilities							
Accounts payable and accrued expenses	$ 10.403,530	$ 38.595.953	$ 41,894,520	$ 7.895,143	$ 2,600,367	$ -	$ 101,389,513
Current portion of estimated third-party payor settlements and advances	630,976	4,053,726	10,504,700	-	-	-	15,189,402
Current portion of long-term debt and capital leases	299,816	1,858 446	826,384	2,960 000	32,155	-	5,976,801
Current portion of long-term debt, due to parent	139,209	868,642	1,836,868	-	-	(2,844,719)	-
Pension liability	218,898	1,072,008	659 936	164,840	310,870	-	2,426,552
Interest rate swap	-	-	-	1,104,629	-	-	1,104,629
Other current liabilities	501,417	247,747	3,368,848	199,601	316,995	-	4,634,608
Due to affiliates	885,970	4,652,463	2,515,085	963,440	499,304	(9,516,262)	-
Total current liabilities	13,079,816	51,348,985	61,606,341	13,287,653	3,759,691	(12,360,981)	130,721,505
Long term liabilities							
Self-insurance reserves	1 915,003	17.092.337	75,640,868	9 489,352	-	-	104,137.560
Long-term portion of third-party payor settlements	2.293,858	3,537.185	14,882,363	-	-	-	20,713,406
Long-term debt and capital leases	5.227,418	4,298,680	4,873,644	71,540,000	99,764	-	86,039,506
Pension liability	7,627,750	23,744,154	11,841,536	2,315,354	1,912,547	-	47,441,341
Postretirement liability	-	2,396,079	-	-	-	-	2,396,079
Interest rate swaps	-	-	-	8,712,219	-	-	8,712,219
Other liabilities	2.250,538	1,861,663	3,889,422	290,420	101,848	-	8,393,891
Due to parent, long-term debt	4.359,960	15,617,244	47,952,238	-	5,700,000	(73,629,442)	-
Total long-term liabilities	23 674,527	68 547,342	159,080,071	92,347 345	7,814,159	(73,629,442)	277,834,002
Net assets							
Unrestricted	20,287,343	44,816,535	194,312,831	(10,601,516)	(6,746,420)	-	242,068,773
Temporarily restricted	17.195,224	3,280,357	26,207,031	-	-	-	46,682,612
Permanently restricted	2,423,057	12,056,420	4,052,193	-	-	-	18,531,670
Total net assets	39,905,624	60,153,312	224,572,055	(10,601,516)	(6,746,420)	-	307,283.055
Total liabilities and net assets	$ 76.659,967	$ 180,049,639	$ 445,258,467	$ 95,033,482	$ 4,827,430	$ (85.990,423)	$ 715,838,562

RIDOH 0899

Care New England Health System and Affiliates
Consolidating Statement of Operations
Year Ended September 30, 2010

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Revenues and gains							
Net patient service revenue	$ 63,737,786	$ 281,923,304	$ 369,582,685	$ 780,465	$ 15,728,664	$ (990,785)	$ 730,762,119
Net assets released from restrictions and used for operations	1,108,724	881,676	5,853,214	-	-	-	7,843,614
Research revenue	12,151,838	-	16,803,138	-	-	-	28,954,976
Other revenue	17,180,542	9,627,941	20,872,675	40,104,308	1,108,359	(51,184,287)	37,709,538
Total revenues and gains	94,178,890	292,432,921	413,111,712	40,884,773	16,837,023	(52,175,072)	805,270,247
Operating expenses							
Salaries and benefits	62,593,473	156,715,351	253,553,449	24,134,223	13,565,627	(7,649,221)	502,912,902
Supplies and other expenses	10,052,640	79,052,629	77,516,696	15,180,947	2,165,300	(44,428,311)	139,539,901
Research expenses	12,158,243	-	16,803,138	-	-	-	28,961,381
Depreciation and amortization	3,162,849	8,477,767	15,319,714	387,292	252,278	-	27,599,900
Insurance	2,474,947	6,921,390	11,902,162	51,073	317,006	(71,000)	21,595,578
Licensure fee	-	12,041,993	15,824,541	-	-	-	27,866,534
Interest	447,197	311,461	494,844	9,142	18,368	(26,540)	1,254,472
Provision for uncollectible accounts	1,826,396	26,706,478	8,104,361	-	62,829	-	36,700,064
Total operating expenses	92,715,745	290,227,069	399,518,905	39,762,677	16,381,408	(52,175,072)	786,430,732
Income from operations	1,463,145	2,205,852	13,592,807	1,122,096	455,615	-	18,839,515
Nonoperating gains (losses)							
Investment income on assets limited as to use	983,035	390,625	929,447	115,358	268	-	2,418,733
Unrestricted gifts and bequests	55,906	-	365,270	-	68,393	-	489,569
Change in fair value of interest rate swaps	-	-	-	(3,675,851)	-	-	(3,675,851)
Net payments on interest rate swaps	(132,918)	(523,906)	(1,710,982)	(110,067)	-	-	(2,477,873)
Change in net unrealized gains on investments	273,351	1,632,397	8,480,064	80,597	23,655	-	10,490,064
Nonoperating expenditures	(306,621)	(491,461)	(727,023)	-	(28,874)	-	(1,553,979)
Net nonoperating gains	872,753	1,007,655	7,336,776	(3,589,963)	63,442	-	5,690,663
Excess (deficiency) of revenues and gains over expenses and losses	$ 2,335,898	$ 3,213,507	$ 20,929,583	$ (2,467,867)	$ 519,057	$ -	$ 24,530,178

RIDOH 0900

Care New England Health System and Affiliates
Consolidating Statement of Changes in Net Assets
Year Ended September 30, 2010

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues over expenses	$ 2,335,898	$ 3,213,507	$ 20,929,583	$ (2,467,867)	$ 519,057	$ -	$ 24,530,178
Pension and postretirement adjustment	(1,911,386)	(6,366,988)	(3,358,218)	(534,520)	(501 138)	-	(12,672,250)
Net assets released from restrictions used for purchase of property, plant and equipment	406,058	930,067	3,456,066	-	-	-	4,792 191
Transfers	109,500	363,500	505,000	(1 000,000)	22,000	-	-
Others	-	-	47,703	-	-	-	47,703
Increase (decrease) in unrestricted net assets	940,070	(1,859,914)	21,580,134	(4,002,387)	39,919	-	16,697,822
Temporarily restricted net assets							
Contributions	2,442,646	1,716,948	7,229,503	-	-	-	11,389,097
Income from investments	282,144	305,371	121,747	-	-	-	709,262
Net realized and unrealized gains from investments	789,395	218,554	428,612	-	-	-	1,436,561
Net assets released from restrictions	(2,404,167)	(1 811,743)	(9,309,280)	-	-	-	(13,525,190)
Increase (decrease) in temporarily restricted net assets	1,110,018	429,130	(1,529,418)	-	-	-	9,730
Permanently restricted net assets							
Net realized and unrealized gains from investments	-	734,420	547	-	-	-	734,967
Contributions	82,691	8,534	61,410	-	-	-	152,635
Increase in permanently restricted net assets	82,691	742,954	61,957	-	-	-	887,602
Increase (decrease) in net assets	2,132,779	(687,830)	20,112,673	(4.002,387)	39,919	-	17,595,154
Net assets at beginning of year	37,772,845	60,841,142	204,459,382	(6,599.129)	(6,786,339)	-	289,687,901
Net assets at end of year	$ 39,905,624	$ 60,153,312	$ 224,572,055	$ (10,601,516)	$ (6,746,420)	$ -	$ 307,283,055

RIDOH 0901

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Consolidated Financial Statements and Other Financial Information

Care New England Health System and Affiliates
Years Ended September 30, 2010 and 2009
With Report of Independent Auditors

Care New England Health System and Affiliates

Consolidated Financial Statements and
Other Financial Information

Years Ended September 30, 2010 and 2009

Contents

Independent Auditors' Report 1

Consolidated Financial Statements

Consolidated Balance Sheets 2
Consolidated Statements of Operations and Changes in Net Assets 3
Consolidated Statements of Cash Flows 5
Notes to Consolidated Financial Statements 6

Other Financial Information

Independent Auditors' Report on Other Financial Information 46
Details of Consolidated Balance Sheet – 2010 (Care New England Health System) 47
Details of Consolidated Statements of Operations and Changes in Net Assets – 2010 (Care New England Health System) 49
Details of Consolidated Balance Sheet – 2009 (Care New England Health System) 51
Details of Consolidated Statements of Operations and Changes in Net Assets – 2009 (Care New England Health System) 53

ERNST & YOUNG

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116-5072
Tel + 1 617 266 2000
Fax + 1 617 266 5843
www.ey.com

Independent Auditors' Report

The Board of Trustees
Care New England Health System

We have audited the accompanying consolidated balance sheets of Care New England Health System and Affiliates ("Care New England") as of September 30, 2010 and 2009, and the related consolidated statements of operations and changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of Care New England's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of Care New England's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Care New England's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Care New England Health System and Affiliates at September 30, 2010 and 2009, and the consolidated results of its operations, changes in net assets, and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

As discussed in Note 8 to the accompanying consolidated financial statements, in 2009, Care New England changed its method of accounting for the appreciation on endowments.

Ernst & Young LLP

December 23, 2010

A member firm of Ernst & Young Global Limited

Care New England Health System and Affiliates

Consolidated Balance Sheets

	September 30 2010	2009
Assets		
Current:		
Cash and cash equivalents	**$78,907,705**	$ 63,161,756
Investments	**2,846,997**	1,996,886
Patient accounts receivable, net of allowance for uncollectible accounts of $31,296,045 in 2010 and $30,408,282 in 2009	**81,031,735**	79,806,323
Other receivables	**12,799,246**	12,788,039
Pledges receivable	**1,303,759**	2,170,813
Other current assets	**9,503,750**	8,346,550
Current portion of assets whose use is limited	**3,530,085**	4,070,930
Total current assets	**189,923,277**	172,341,297
Assets whose use is limited or restricted as to use:		
Endowment funds	**36,763,760**	34,132,423
Board-designated funds	**77,758,793**	69,292,876
Trustee-held funds	**133,233,237**	119,281,765
Deferred compensation funds	**2,657,923**	2,451,142
	250,413,713	225,158,206
Property, plant, and equipment, net	**253,227,303**	256,884,141
Pledges receivable, net	**1,285,438**	2,632,837
Investments	**19,817,913**	22,735,000
Other assets	**1,170,918**	1,470,244
Total assets	**$715,838,562**	$681,221,725

	September 30 2010	2009
Liabilities and net assets		
Current:		
Accounts payable and accrued expenses	**$101,389,513**	$ 87,096,949
Current portion of estimated third-party payor settlements and advances	**15,189,402**	20,178,186
Current portion of long-term debt and capital leases	**5,976,801**	6,560,899
Pension liability	**2,426,552**	2,023,817
Interest rate swap	**1,104,629**	-
Other current liabilities	**4,634,608**	6,751,350
Total current liabilities	**130,721,505**	122,611,201
Long-term liabilities:		
Self-insurance reserves	**104,137,560**	102,664,793
Long-term portion of estimated third-party payor settlements	**20,713,406**	21,102,727
Long-term debt and capital leases	**86,039,506**	87,717,579
Pension liability	**47,441,341**	41,988,771
Postretirement liability	**2,396,079**	1,569,705
Interest rate swaps	**8,712,219**	6,140,997
Other liabilities	**8,393,891**	7,738,051
Total long-term liabilities	**277,834,002**	268,922,623
Net assets:		
Unrestricted	**242,068,773**	225,370,951
Temporarily restricted	**46,682,612**	46,672,882
Permanently restricted	**18,531,670**	17,644,068
Total net assets	**307,283,055**	289,687,901
Total liabilities and net assets	**$715,838,562**	$681,221,725

See accompanying notes.

RIDOH 0906

Care New England Health System and Affiliates

Consolidated Statements of Operations and Changes in Net Assets

	Year Ended September 30	
	2010	**2009**
Revenues and gains:		
Net patient service revenue	**$710,923,699**	$674,008,364
Net assets released from restrictions and used for operations	**8,732,999**	8,065,697
Other revenue	**85,613,549**	84,224,122
Total revenues and gains	**805,270,247**	766,298,183
Operating expenses:		
Salaries and benefits	**516,510,229**	483,374,592
Supplies and other expenses	**154,903,955**	155,828,388
Depreciation and amortization	**27,599,900**	25,553,327
Insurance	**21,595,578**	25,687,976
Licensure fee	**27,866,534**	26,074,904
Interest	**1,254,472**	1,448,528
Provision for uncollectible accounts	**36,700,064**	29,932,717
Total operating expenses	**786,430,732**	747,900,432
Income from operations	**18,839,515**	18,397,751
Non-operating gains (losses):		
Investment income on assets limited as to use	**2,418,733**	1,823,911
Unrestricted gifts and bequests	**489,569**	495,243
Change in fair value of interest rate swaps	**(3,675,851)**	(6,522,654)
Net payments on interest rate swaps	**(2,477,873)**	(1,338,132)
Change in net unrealized gains on trading securities	**10,490,064**	13,887,585
Non-operating expenditures	**(1,553,979)**	(1,964,578)
Net non-operating gains	**5,690,663**	6,381,375
Excess of revenues and gains over expenses	**24,530,178**	24,779,126

Care New England Health System and Affiliates

Consolidated Statements of Operations and Changes in Net Assets (continued)

	Year Ended September 30	
	2010	**2009**
Unrestricted net assets:		
Excess of revenues and gains over expenses	**$ 24,530,178**	$ 24,779,126
Pension and postretirement adjustment	**(12,672,250)**	(37,381,351)
Net assets released from restrictions used for purchase of property and equipment	**4,792,191**	19,843,489
Other	**47,703**	-
Increase in unrestricted net assets	**16,697,822**	7,241,264
Temporarily restricted net assets:		
Contributions, research, and grants	**11,389,097**	11,452,417
Cumulative effect of adopting ASC Topic 958	**-**	16,305,971
Income from investments	**709,262**	780,911
Net realized and unrealized gains from investments	**1,436,561**	27,887
Net assets released from restrictions	**(13,525,190)**	(27,909,176)
Increase in temporarily restricted net assets	**9,730**	658,010
Permanently restricted net assets:		
Net realized and unrealized gains (losses) from investments	**734,967**	(1,560,242)
Cumulative effect of adopting ASC Topic 958	**-**	(16,305,971)
Contributions	**152,635**	563,855
Increase (decrease) in permanently restricted net assets	**887,602**	(17,302,358)
Increase (decrease) in net assets	**17,595,154**	(9,403,084)
Net assets at beginning of year	**289,687,901**	299,090,985
Net assets at end of year	**$307,283,055**	$289,687,901

See accompanying notes.

RIDOH 0908

Care New England Health System and Affiliates

Consolidated Statements of Cash Flows

	Year Ended September 30 2010	2009
Operating activities		
Change in net assets	**$ 17,595,154**	$ (9,403,084)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Pension and postretirement adjustment	**12,672,250**	37,381,351
Depreciation and amortization	**27,599,900**	25,553,327
Change in fair value of interest rate swaps	**3,675,851**	6,522,654
Income and gains on assets limited as to use	**(2,418,733)**	(1,823,911)
Net unrealized gains on trading securities	**(10,490,064)**	(13,887,585)
Restricted contributions and investment income	**(887,602)**	996,387
Changes in:		
Patient accounts receivable	**(1,225,412)**	(9,450,941)
Trading securities	**(9,738,889)**	8,063,143
Other current and long-term assets	**1,345,372**	5,237,120
Accounts payable and accrued expenses	**14,292,564**	(4,739,399)
Estimated third-party payor settlements	**(5,378,105)**	(7.839,036)
Deferred revenue and other liabilities	**(1,460,902)**	5,706,613
Net pension liability	**(5,990,571)**	(679,002)
Self-insurance reserves	**1,472,767**	8,832,607
Net cash provided by operating activities	**41,063,580**	50,470,244
Investing activities		
Purchase of property and equipment	**(23,943,062)**	(46,382,130)
Net cash used in investing activities	**(23,943,062)**	(46,382,130)
Financing activities		
Proceeds from capital leases	**4,899,749**	-
Payments on long-term debt and capital leases	**(7,161,920)**	(6,570,899)
Restricted contributions and investment income	**887,602**	(996,387)
Net cash used in financing activities	**(1,374,569)**	(7,567,286)
Net increase (decrease) in cash and cash equivalents	**15,745,949**	(3,479,172)
Beginning cash and cash equivalents	**63,161,756**	66,640,928
Ending cash and cash equivalents	**$ 78,907,705**	$ 63,161,756
Supplemental disclosures		
Cash paid for interest	**$ 1,355,785**	$ 1,861,813

See accompanying notes.

RIDOH 0909

Care New England Health System and Affiliates

Notes to Consolidated Financial Statements

September 30, 2010

1. Description of Organization

Corporate Structure

Care New England Health System ("CNE", "Care New England", or the "Health System"), a not-for-profit corporation, was established in February 1996 as the holding company for the development of an integrated delivery network which consists of Butler Hospital, Kent County Memorial Hospital, and Women & Infants Hospital of Rhode Island (collectively, the "Hospitals"), and the Kent County Visiting Nurse Association, d/b/a VNA of Care New England (the "Agency").

The accompanying consolidated financial statements include the accounts of CNE and its affiliates, over which CNE has corporate governance:

- Butler Hospital ("Butler") and its affiliate, Carriage House, LLC ("Carriage")
- Kent County Memorial Hospital ("Kent") and its affiliates, Kent Hospital Foundation, Kent Ancillary Services, LLC, and Toll Gate Indemnity, Ltd. ("Toll Gate")
- Women & Infants Corporation ("WIC") and its affiliates, Women & Infants Development Foundation, Palomar Group, Inc. ("Palomar"), Women & Infants Hospital of Rhode Island ("WIH"), W&I Indemnity, Ltd. ("W&I Indemnity"), WIH Faculty Physicians, Inc., and Women & Infants Ancillary Services, LLC
- Kent County Visiting Nurse Association and its affiliate, Healthtouch, Inc. (together, the "Agency")
- Care New England Wellness Centers, LLC

Significant intercompany accounts have been eliminated in consolidation.

Mission and Nature of Business

Care New England supports the three Hospitals, the Agency, and other affiliated organizations.

The mission of Butler Hospital is to provide treatment of psychiatric illness in an atmosphere of dignity and respect, and to contribute to knowledge through education and research, while continuously improving the ways Butler serves its patients and the community. Butler is a 117-bed, not-for-profit psychiatric teaching hospital, affiliated with Brown University, providing services for the care of patients from Rhode Island and nearby Massachusetts. As a complement to its role in service and education, Butler actively supports research by members of its staff. Butler is accredited by The Joint Commission ("TJC").

RIDOH 0910

1. Description of Organization (continued)

The mission of Kent County Memorial Hospital is to continually improve the health and well-being of the people and communities it serves, offering its essential services without regard for the ability to pay. Kent is a 359-bed, not-for-profit general hospital providing a full range of services for the acute care of patients principally from Kent County, Rhode Island. Kent currently operates American Osteopathic Association approved residency programs in emergency medicine and family practice, and has been approved to establish an internal medicine residency program and a fellowship program in hyperbaric medicine beginning in 2011. Kent is affiliated with, and provides clinical training to, the students of the University of New England College of Osteopathic Medicine. Kent is accredited by TJC and the Commission on Accreditation of Rehabilitation Facilities. Toll Gate is a wholly owned subsidiary of Kent. Toll Gate insures primary and excess hospital professional and general liability risks for the Hospital and its employees on an occurrence basis. Toll Gate insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' professional liability on an occurrence basis. Toll Gate also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' professional liability on both a claims-made and occurrence basis.

The mission of Women & Infants Corporation is to support Women & Infants Hospital of Rhode Island and all other affiliated organizations. The mission of Women & Infants Hospital of Rhode Island is to improve the health and well-being of women and infants, and to provide essential services regardless of ability to pay. WIH is a 247-bed, not-for-profit regional center for women and infants' care in Rhode Island and environs. It has university affiliations and serves as the tertiary care center for neonatology, as well as obstetrics, maternal fetal medicine, gynecology, and an array of internal medicine services for all of Rhode Island and portions of the neighboring states of Massachusetts and Connecticut. As a complement to its role in service and education, WIH actively supports research by members of its staff. WIH is accredited by TJC. W&I Indemnity is a wholly owned subsidiary of WIH. W&I Indemnity insures excess hospital professional liability risks for the Hospital and its employees on an occurrence basis, and excess hospital professional liability risks for the Care New England Health System solely to the extent not covered by commercial insurance purchased by Care New England, Butler, or Kent. W&I Indemnity insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' and residents' medical malpractice liability on an occurrence basis. W&I Indemnity also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' medical malpractice liability on both a claims-made and occurrence basis.

RIDOH 0911

1. Description of Organization (continued)

The mission of Kent County Visiting Nurse Association, d/b/a VNA of Care New England, is to provide and administer a comprehensive, multidisciplinary, therapeutic, hospice, and public health nursing program. The Agency is a not-for-profit corporation, providing home care services to the residents of Rhode Island and nearby Massachusetts. Healthtouch, Inc. is a not-for-profit corporation providing private duty nursing and personal care services, primarily to residents of Rhode Island.

2. Significant Accounting Policies

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Care New England considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts whose use is limited by Board designation or other arrangements under trust agreements.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, other-than-temporary impairments in the value of securities, interest, and dividends) is included in the excess of revenues and gains over expenses unless the income or loss is restricted by donor or law.

Kent and WIH follow the practice of pooling resources of unrestricted and restricted assets for long-term investment purposes. The investment pool is operated on the market value method whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry. Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool.

2. Significant Accounting Policies (continued)

Alternative investments (non-traditional, not readily marketable holdings) include hedge funds and private equity funds. Alternative investment interests generally are structured such that the Health System holds a limited partnership interest. The Health System's ownership structure does not provide for control over the related investees, and the Health System's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment. There are no future funding commitments for alternative investments at September 30, 2010.

Individual investment holdings within the alternative investments include non-marketable and market-traded debt and equity securities, and interests in other alternative investments. The Health System may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products. Alternative investments often have liquidity restrictions under which the Health System's capital may be divested only at specified times. The Health System's liquidity restrictions may be up to 90 days for certain investments. Liquidity restrictions may apply to all or portions of a particular invested amount.

The Health System's policy is to record its ownership interest in alternative investments of less than 3% at cost. The Health System has no ownership interest in excess of 3%, which could require such interests to be reported under the equity method of accounting. Under the equity method, the Health System would recognize its share of the increase or decrease in the investments' fair value in non-operating income.

Financial information used by the Health System to evaluate its alternative investments is provided by the investment manager or general partner, and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not coincide with the Health System's annual financial statement reporting.

There is uncertainty in the valuation for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, and time lags associated with reporting by investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

2. Significant Accounting Policies (continued)

Income and realized net gains (losses) on investments of endowments and specific purpose funds are reported as follows:

- Increases (decreases) in permanently restricted net assets if the terms of the gift require that they be added to the principal of permanently restricted net assets;
- Increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or the income has not yet been appropriated; or
- Increases (decreases) in the unrestricted net assets in all other cases.

Assets Limited as to Use

Assets limited as to use primarily include assets held by trustees under indenture agreements and insurance programs, deferred compensation arrangements, and designated assets set aside by one or more of the Boards of Trustees (the "Boards"), over which the Boards retain control and may, at their discretion, subsequently use for other purposes. Amounts required to meet current obligations of the Hospitals have been reclassified to current assets.

Inventories

Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market.

RIDOH 0914

2. Significant Accounting Policies (continued)

Property and Equipment

Property and equipment acquisitions are recorded at cost. Donated property and equipment is recorded at fair value at the date of receipt. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Installation costs, including labor, benefits, and travel, are capitalized as a component of information systems installations. Depreciation is recorded using the straight-line method based on the estimated useful life of each class of depreciable asset, as recommended by the American Hospital Association.

Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support, and are excluded from the excess of revenues over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Pledges

Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made. Pledges receivable over a period greater than one year are stated at net present value. Pledges are recorded as additions to the appropriate net asset classification.

Deferred Financing Costs

Expenses related to issuance of bonds are deferred and amortized on a straight-line basis over the period during which the bonds are expected to be outstanding.

Self-Insurance Reserves

The reserves for self-insured programs are estimated based on actuarial studies and the Hospitals' and industry experience. The reserves include estimates of the ultimate cost for both reported claims and claims incurred but not yet reported. The Hospitals have established separate indemnification companies and trust funds for payment of certain self-insured claims.

2. Significant Accounting Policies (continued)

Care New England is self-insured for losses arising from workers' compensation claims. Loss reserves are estimated based on actuarial studies, and the Health System's and industry experience.

For the employees of the Hospitals and the Agency, with the exclusion of the unionized employees at Women & Infants Hospital, Care New England is self-insured for losses arising from health insurance claims. Self-insured losses for both reported claims and claims incurred but not yet reported are estimated based on actuarial studies and the Health System's actual experience.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

Excess of Revenues Over Expenses

The consolidated statements of operations and changes in net assets include excess of revenues and gains over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in the pension and postretirement liability.

Net Patient Service Revenue

The Hospitals and the Agency have individual agreements with many third-party payors that provide payments at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to such things as future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such adjustments.

RIDOH 0916

2. Significant Accounting Policies (continued)

Other Revenue

Other revenue includes underwriting income, federal research revenues, clinical trial revenues at WIH, rental income, cafeteria sales, laboratory services provided to non-patients, sales of home medical equipment, vendor rebates and discounts, and various services provided to physicians and other organizations.

Charity Care

The Health System provides care to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue.

Donor-Restricted Gifts

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date when the condition is satisfied. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Income Taxes

Care New England, the Hospitals, the Agency, Healthtouch, Women & Infants Faculty Physicians, Inc., Women & Infants Corporation, Women & Infants Development Foundation, Palomar, and Kent Hospital Foundation are not-for-profit corporations, and have been recognized as tax exempt on related income pursuant to Section 501(c)(3) of the Internal Revenue Code. W&I Indemnity, Ltd. and Toll Gate Indemnity, Ltd. are foreign corporations with no material tax liability. Other affiliates are single-member limited liability companies which are treated as part of their sole member for tax purposes.

RIDOH 0917

2. Significant Accounting Policies (continued)

New Accounting Pronouncements

Postretirement Benefit Plan Assets

In March 2008, the FASB issued ASC Topic 517-20-65-2, *Employers' Disclosures about Postretirement Benefit Plan Assets*. This Topic amends ASC Topic 958-715 to provide guidance on an employer's disclosures about plan assets of a defined benefit pension or other postretirement plan. The Health System adopted the provisions of the Topic beginning with the fiscal year ended September 30, 2010.

Derivative Instruments and Hedging Activities

In March 2008, the FASB issued ASC Topic 815-10-65-1, *Disclosures about Derivative Instruments and Hedging Activities -- an amendment of Topic 815-10-50*. ASC Topic 815-10-65-1 builds upon the existing disclosure requirements of ASC Topic 815-10-50, *Accounting for Derivative Instruments and Hedging Activities*, by requiring enhanced disclosures about how and why an entity uses derivative instruments, how derivative instruments and related hedged items are accounted for under ASC Topic 815-10-50 and its related interpretations, and how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. The Health System adopted ASC Topic 815-10-65-1 for its fiscal year ending September 30, 2010.

Reclassifications

Certain items in the 2009 financial statements have been reclassified to conform to the current year presentation.

RIDOH 0918

3. Uncompensated Care and Community Services

The Health System maintains records to identify and monitor the level of charity care and community services it provides, including the amount of charges forgone for services and the estimated cost incurred to provide those services. The revenues forgone and estimated costs and expenses incurred to provide charity care for the years ended September 30 are as follows:

	2010	2009
Revenues forgone, based on established rates	**$26,405,197**	$25,494,320
Expenses and costs incurred	**$11,545,773**	$11,293,563

In addition to the above-mentioned medical care rendered, the Hospitals and the Agency provide numerous other services free of charge to the community. These services include such things as transporting patients to the healthcare facilities, interpretation of medical information to various languages, volunteer services to other not-for-profit agencies, emergency and disaster relief services, various health and educational programs, research and teaching facilities, healthcare screening services, therapeutic patient services, and provision of direct services to patients with multiple psychosocial needs.

	2010	2009
Approximated revenues forgone, or cost of the services provided to the community	**$10,095,776**	$8,447,869

The Hospitals and the Agency also provide services to other indigent patients under the Medicaid/Rite Care Program, which reimburses healthcare providers at amounts which are less than the costs of services provided to the recipients. Hospital-employed physicians also render medical services to the community which are not billable, and for which no remuneration is received.

In addition to the cost of charity care and other community service programs, the Hospitals and the Agency provided $36,700,064 and $29,932,717 for uncollectible patient accounts during the years ended September 30, 2010 and 2009, respectively.

RIDOH 0919

4. Pledges Receivable

Unconditional promises to give are recorded at present value as current and long-term assets based on expected time of collection. Future expected collections of these pledges as of September 30 are as follows:

	2010	2009
Within one year	**$ 1,791,872**	$ 3,014,381
One to five years	**2,154,974**	4,801,554
Beyond five years	**10,105**	25,075
	3,956,951	7,841,010
Less allowance for uncollectibles	**(1,367,754)**	(3,037,360)
Pledges receivable, net	**$ 2,589,197**	$ 4,803,650

5. Summary of Investments

Investments at September 30 are summarized as follows:

	2010	2009
Securities, at market:		
Cash and cash equivalents	**$ 18,480,802**	$ 22,020,723
Government securities	**7,095,738**	5,983,821
Bonds	**39,963,898**	35,176,592
Common stocks	**74,782,078**	62,660,185
Mutual funds	**80,530,349**	68,707,888
Auction rate securities	**19,817,913**	22,735,000
Alternative investments	**8,524,103**	7,851,156
Cash surrender value of life insurance	**27,413,827**	28,825,657
Total	**$276,608,708**	$253,961,022

The cash surrender value of life insurance is included in Board-designated funds.

RIDOH 0920

5. Summary of Investments (continued)

Investment return for the years ended September 30 consisted of the following (in thousands):

	2010	2009
Interest and dividend income	**$ 2,685,828**	$ 3,297,021
Net realized gains (losses) on sales of investments	**2,645,146**	(1,778,266)
Net change in unrealized gains and losses	**10,490,064**	13,887,584
	$15,821,038	$15,406,339
Included in operating revenue	**$ 2,912,241**	$ (305,157)
Included in non-operating revenue	**12,908,797**	15,711,496
	$15,821,038	$15,406,339

Care New England, the Hospitals, and the Agency routinely invest their surplus operating funds in various overnight repurchase agreements, money market funds, and fixed income U.S. agency bonds, which are classified as cash and cash equivalents.

Through its consolidated Treasury Management System, Care New England, on behalf of the Health System, has invested surplus operating cash in auction rate securities with varying maturity dates, which are backed by student loans. These loans are guaranteed for repayment by the federal government. During 2008, the auctions at which these securities were sold began to fail, requiring CNE to hold these securities indefinitely. However, payments of interest from the underlying loan pool remain current. As of September 30, 2010 and 2009, these securities are recorded as long-term investments in the consolidated balance sheets and Care New England has recorded an other-than-temporary impairment loss of $1,182,086 and $1,490,000, respectively, based on an independent valuation of the securities. During 2010, $3,225,000 of the auction rate securities were liquidated at face value, resulting in a non-operating gain of $198,359. During 2009, $775,000 of the auction rate securities were liquidated at face value, resulting in a non-operating gain of $27,125.

RIDOH 0921

6. Property and Equipment

A summary of property and equipment at September 30 follows:

	2010	2009
Land and land improvements	**$ 10,169,616**	$ 9,971,818
Buildings and improvements	**334,879,014**	327,303,847
Moveable equipment	**262,280,466**	249,883,603
Total property and equipment	**607,329,096**	587,159,268
Less accumulated depreciation and amortization	**(357,840,698)**	(331,916,584)
	249,488,398	255,242,684
Construction and projects in progress	**3,738,905**	1,641,457
Property and equipment, net	**$ 253,227,303**	$ 256,884,141

During November 2005, WIH received a Certificate of Need approval from the Rhode Island Department of Health to build a five-floor addition to the Hospital. The addition contains 80 neonatal intensive care beds, 30 additional obstetrical services beds, and space for support services. The addition was funded through the issuance of tax-exempt debt, use of equity, and philanthropic donations. The addition became operational on September 16, 2009.

During November 2010, Butler received a Certificate of Need approval from the Rhode Island Department of Health to build a two-story building. The new building will house an updated Patient Assessment Service, and accommodate an increase in Butler's licensed bed complement of inpatient psychiatry beds by twenty-six. The building will be funded through the issuance of tax-exempt debt, use of equity, and philanthropic donations. Total estimated cost of the new building is $17,823,000.

During May 2010, the Kent received a Certificate of Need approval from the Rhode Island Department of Health to construct and relocate its outpatient surgical suites on one floor of a two-story medical building being built on the campus by a private developer. The Certificate of Need also includes lobby renovations, the construction of a connector to the main hospital building, and the construction of a 10-bed short stay nursing unit in the vacated outpatient surgery space. The project will be funded through the issuance of tax-exempt debt and philanthropic donations. Total estimated cost of the project is $15,000,000.

RIDOH 0922

6. Property and Equipment (continued)

As of September 30, 2010, the Health System estimated the total cost of completion of construction and projects in progress to be approximately $37,112,000. The funding to complete these projects will come from Board-designated funds, philanthropic donations, tax-exempt debt, and operating cash.

WIH leases land for its facility from Rhode Island Hospital ("RIH"), for a nominal annual payment, under a 99-year lease agreement which expires December 31, 2085.

Butler owns approximately 110 acres of land, which was purchased with donated funds in the mid-19th century. This land has a book value of one dollar.

In the late 1940s, Kent acquired 57 acres of land, which is recorded at the acquisition price of $90,165.

Conditional asset retirement obligations are recorded at $1,580,875 and $1,550,322 as of September 30, 2010 and 2009, respectively. These obligations are recorded in other non-current liabilities in the accompanying consolidated balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations. During 2010 and 2009, there were no significant retirement obligations incurred or settled. Accretion expense of $64,576 and $61,963 was recorded during the years ended September 30, 2010 and 2009, respectively.

7. Long-Term Debt and Capital Leases

During February 2008, CNE and its other Obligated Group members, Butler, Kent, WIC, and WIH issued a total of $84,940,000 in RIHEBC Hospital Financing Revenue Bonds (the "Bonds"). These Bonds were issued as CNE 2008 Series A ($46,730,000) and CNE 2008 Series B ($38,210,000). The proceeds from the CNE 2008 Series A bonds were used to (1) refund the outstanding CNE 2002 Series A bonds, and (2) pay certain expenses related to the issuance of the CNE 2008 Series A bonds. The proceeds from the CNE 2008 Series B bonds were used to (1) defease a portion of the outstanding CNE 2002 Series B bonds, and (2) finance a portion of WIH's Certificate of Need project consisting of the construction, equipping, and furnishing of a five-story addition to WIH's existing hospital building, (3) finance a portion of routine capital improvements, and (4) pay certain expenses related to the issuance of the CNE 2008 Series B bonds. The CNE 2002 Series B bonds were defeased by depositing a portion of the proceeds of the CNE 2008 Series B bond proceeds and money contributed by the Obligated Group in an account held by the trustee for the CNE 2002 Series B bonds to provide funds as and

RIDOH 0923

7. Long-Term Debt and Capital Leases (continued)

when necessary to pay the principal and interest on the CNE 2002 Series B bonds. The refunding trust has sufficient fixed income securities to meet the required payments on the outstanding balance of $2,763,393 as of September 30, 2010.

A summary of long-term debt at September 30 is as follows:

	2010	2009
Variable rate $46,730,000 RIHEBC 2008 Series A bonds, mandatory sinking fund redemptions ranging from $1,330,000 in 2011 to $2,735,000 in 2032. The bonds bear interest at a daily, weekly, or monthly rate, which is payable on the first business day of each month, and on maturity or redemption dates and the fixed rate conversion date. In no event will the interest rate borne by the bonds exceed 10% per annum. Since issuance in 2008, the bonds have borne a weekly interest rate. CNE has pledged gross receipts backed by a bank letter of credit which expires on February 1, 2015. The Series A bonds are subject to tender at the option of the owners thereof. To the extent the tendered bonds are not able to be remarketed, the letter of credit bank has committed to purchase the bonds. Amounts advanced by the bank to pay the purchase price on bonds being purchased and not reimbursed to the bank on the date of such drawing will be converted to a credit agreement loan and amortized over three years. CNE, Butler, Kent, WIC, and WIH are jointly and severally liable for repayment.	**$42,985,000**	$44,270,000

RIDOH 0924

7. Long-Term Debt and Capital Leases (continued)

	2010	2009
Variable rate $38,210,000 RIHEBC 2008 Series B bonds, mandatory sinking fund redemptions ranging from $1,630,000 in 2011 to $660,000 in 2013, with a final payment of $1,810,000 in 2037. The bonds bear interest at a daily, weekly, or monthly rate, which is payable on the first business day of each month, and on maturity or redemption dates and the fixed rate conversion date. In no event will the interest rate borne by the bonds exceed 10% per annum. Since issuance in 2008, the bonds have borne a weekly interest rate. CNE has pledged gross receipts backed by a bank letter of credit which expires on February 1, 2015. The Series B bonds are subject to tender at the option of the owners thereof. To the extent the tendered bonds are not able to be remarketed, the letter of credit bank has committed to purchase the bonds. Amounts advanced by the bank to pay the purchase price on bonds being purchased and not reimbursed to the bank on the date of such drawing will be converted to a credit agreement loan and amortized over three years. CNE, Butler, Kent, WIC, and WIH are jointly and severally liable for repayment.	**$31,515,000**	$33,765,000
Term, $340,000 RIHEBC Equipment Note due March 2003 through February 2010, in monthly installments of $4,687 at a fixed interest rate of 4.25%. Collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.	-	23,186
Term, $300,000 RIHEBC Equipment Note due July 1, 2004 through June 1, 2014, in monthly installments of $3,141 at a fixed interest rate of 4.72%. Collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.	**131,919**	162,610
Term, $2,250,000 BankRI mortgage note due July 2005 through June 2015, in monthly installments of $14,538 with a final payment of $1,734,954 due June 2015, at a fixed interest rate of 6.03%. Collateralized by the real estate purchased.	**2,006,936**	2,057,006

RIDOH 0925

7. Long-Term Debt and Capital Leases (continued)

	2010	2009
Term, $3,750,000 Bank of America mortgage note due August 2005 through July 2015, in monthly installments ranging from $33,837 on August 1, 2005 to $24,193 on May 5, 2015, with a final payment of $1,890,625 due June 2015, at a fixed interest rate of 5.64%. Collateralized by the real estate purchased.	**$ 2,781,250**	$ 2,968,750
Term, $4,000,000 Time Insurance Company mortgage note due October 2007 through September 2027, in monthly installments of $25,261 with a final payment of $1,338,527 due September 2027, at a fixed interest rate of 5.79%. Collateralized by real estate.	**3,759,163**	3,842,019
Capital lease obligations	**8,837,039**	7,189,907
Total long-term debt and capital lease obligations	**92,016,307**	94,278,478
Less current portion of long-term debt and capital lease obligations	**(5,976,801)**	(6,560,899)
Long-term debt and capital lease obligations, excluding current portion	**$ 86,039,506**	$ 87,717,579

Under the terms of the revenue bonds, CNE and the Hospitals are required to make periodic debt service payments with a trustee, which are included with assets limited as to use. The revenue bond indenture and letter of credit agreement also places limits on the incurrence of additional borrowings, and require that the Obligated Group satisfy certain measures of financial performance as long as the bonds are outstanding. The Health System has been, and remains, compliant with these terms.

In 2004, CNE entered into an interest rate swap agreement with Bank of America Investments, effectively converting the $50,000,000 RIHEBC CNE 2002 Series A variable rate debt to a fixed rate of 2.99% for the period of October 1, 2005 through August 1, 2011.

RIDOH 0926

7. Long-Term Debt and Capital Leases (continued)

As part of the refinancing, CNE has (1) maintained the interest rate swap agreement that was entered into in 2004 with Bank of America Investments which effectively converts $45,400,000 of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 3.02% for the period of February 1, 2008 through August 1, 2011, (2) entered into an interest rate swap agreement with Deutsche Bank Group which effectively converts all of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 4.216% for the period of August 1, 2011 through July 1, 2032, and (3) entered into an interest rate swap agreement with Morgan Stanley Capital Services which effectively converts all of the RIHEBC CNE 2008 Series B variable rate bonds to a fixed rate of 3.857% for the period of February 1, 2008 through August 31, 2037.

The Health System uses the interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates. The interest rate swap agreements meet the definition of derivative instruments. However, the change in the market value and cash flow impact of the derivative instruments were accounted for as a non-operating activity. The swaps, while serving as an economic hedge, do not qualify as an accounting hedge.

The following table summarizes the 2008 Series A and B debt activity for the fiscal years ended September 30:

	2010	2009
Debt outstanding:		
October 1 – August 31	**$78,035,000**	$81,440,000
September 1 – September 30	**$74,500,000**	$78,035,000
Weighted-average bonds outstanding	**$77,740,417**	$81,156,000
Interest payments to bondholders plus letter of credit fees paid to bank	**$ 461,610**	$ 889,552
Net cash payments on interest rate swaps:		
Non-capitalized interest	**2,477,873**	1,338,132
Capitalized interest	**-**	854,663
	$ 2,477,873	$ 2,192,795
Total	**$ 2,939,483**	$ 3,082,347
Effective interest rate	**3.78%**	3.80%
Market value of swap agreements at September 30	**$ (9,816,848)**	$ (6,140,997)
Change in market value of swap agreements	**$ (3,675,851)**	$ (6,522,654)

RIDOH 0927

7. Long-Term Debt and Capital Leases (continued)

Scheduled principal repayments on long-term debt are as follows for the years ended September 30:

2011	$ 3,319,289
2012	3,063,850
2013	2,469,786
2014	2,550,130
2015	6,163,983
Thereafter	65,612,230
Total	$83,179,268

Care New England had available $15,000,000 during 2010 and 2009 through a line of credit with a financial institution. There were no outstanding balances on the lines of credit as of September 30, 2010 and 2009.

The Hospitals classify certain non-cancelable leases as capital leases, and include the property under lease in their property and equipment. Amortization expense for these assets is included in depreciation and amortization expenses in the consolidated statements of operations and changes in net assets. Ownership of the leased property converts to the Hospitals at the end of the lease term. Assets and related accumulated depreciation under the capital leases are included in property and equipment (Note 6).

Future minimum lease payments due under capital lease arrangements at September 30, 2010 are as follows:

2011	$ 3,116,022
2012	2,237,099
2013	1,901,368
2014	1,314,344
2015	721,600
Thereafter	1,510,235
Total minimum lease payments	10,800,668
Less amount representing interest	1,963,629
Present value of net minimum lease payments	$ 8,837,039

RIDOH 0928

8. Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes or periods at September 30:

	2010	2009
Healthcare services	**$17,360,187**	$17,411,820
Healthcare research	**6,816,908**	6,429,171
General purposes	**7,761,408**	7,253,954
Indigent care	**2,617,636**	2,444,727
Health education	**2,000,500**	1,926,910
Plant replacement and expansion	**3,887,073**	4,993,477
Endowment	**3,550,816**	3,048,426
Other	**2,688,084**	3,164,397
Total temporarily restricted net assets	**$46,682,612**	$46,672,882

Permanently restricted net assets at September 30 are restricted investments to be held in perpetuity.

	2010	2009
Plant replacement and expansion	**$10,574,465**	$ 9,840,045
Indigent care	**874,506**	874,507
General purposes	**1,603,481**	1,603,481
Research	**554,191**	471,500
Healthcare services	**3,918,334**	3,853,379
Health education	**1,006,693**	1,001,156
Total permanently restricted net assets	**$18,531,670**	$17,644,068

The Health System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 as they relate to its permanently restricted endowments. The Health System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

RIDOH 0929

8. Temporarily and Permanently Restricted Net Assets (continued)

The Health System classifies restricted donor funds in accordance with the laws of the State of Rhode Island and generally accepted accounting principles. The Health System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the Health System and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Health System.

For the year ended September 30, 2010, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$21,172,035	$7,804,023	$28,976,058
Investment return:			
Investment income	416,852	547	417,399
Net appreciation (realized and unrealized)	1,554,990	-	1,554,990
Total investment return	1,971,842	547	1,972,389
Contributions	2,394,766	152,635	2,547,401
Appropriation of endowment assets for expenditure	(2,535,646)	-	(2,535,646)
Endowment net assets at end of year	$23,002,997	$7,957,205	$30,960,202

RIDOH 0930

8. Temporarily and Permanently Restricted Net Assets (continued)

For the year ended September 30, 2009, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets at beginning of year	$ 4,779,080	$ 24,816,595	$29,595,675
Net asset reclassification based on change in law	16,308,977	(16,308,977)	-
Endowment net assets after reclassification	21,088,057	8,507,618	29,595,675
Investment return:			
Investment income	291,557	729,936	1,021,493
Net depreciation (realized and unrealized)	(34,938)	(1,281,569)	(1,316,507)
Total investment return	256,619	(551,633)	(295,014)
Contributions	2,312,155	566,861	2,879,016
Appropriation of endowment assets for expenditure	(2,484,796)	(718,823)	(3,203,619)
Endowment net assets at end of year	$21,172,035	$ 7,804,023	$28,976,058

In addition to permanently restricted endowments, Kent is an income beneficiary of various trusts. On September 30, 2010 and 2009, the market value of the trust assets, which are recorded as permanently restricted net assets, totaled $10,574,465 and $9,840,045, respectively. Distributions of income are made at the discretion of the trustees.

It is the policy of the Health System that any appropriations from the appreciation in endowment funds are periodically requested of and approved by the Board of Trustees.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are immaterial as of September 30, 2010 and 2009. These deficiencies resulted from unfavorable market fluctuations. The individual donor-restricted endowment funds with deficiencies will retain future income and appreciation to restore the required fair value of the assets.

RIDOH 0931

8. Temporarily and Permanently Restricted Net Assets (continued)

During fiscal 2010 and 2009, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2010	2009
Healthcare services	**$ 5,771,899**	$ 4,524,387
Healthcare research	**1,118,390**	1,624,335
Plant replacement and expansion	**4,792,191**	19,843,489
Other	**1,520,773**	1,629,027
Health education	**213,630**	170,791
Indigent care	**108,307**	117,157
Total net assets released from restrictions	**$13,525,190**	$27,909,186

9. Pension Plans

The Health System has two separate pension plans. One plan covers the employees of CNE and the Hospitals, with the exception of the unionized employees of WIH (who are covered under a multiemployer union plan) and certain WIH-employed physicians. The other plan covers the employees of the Agency.

Care New England Pension Plan

The Care New England Pension Plan (the "Plan"), established on October 1, 1998, is a defined benefit cash balance plan that covers all of the employees of CNE, and all of the Hospitals' employees, with the exception of the unionized employees and certain employed physicians at WIH. The benefits for the unionized employees at Butler are computed under a separate formula that was in effect when the Butler plan was a stand-alone non-contributory defined benefit plan. The Hospitals incur and fund their respective pension plan expenses within the guidelines established by the Employee Retirement Income Security Act of 1974.

Included in changes in unrestricted net assets at September 30, 2010 that has not yet been recognized in net periodic pension cost is an unrecognized actuarial loss of $52,006,974. Included in changes in unrestricted net assets at September 30, 2009 that has not yet been recognized in net periodic pension cost is an unrecognized prior service credit of $3,923,131, and an unrecognized actuarial loss of $44,084,451.

RIDOH 0932

9. Pension Plans (continued)

The actuarial loss included as changes in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2011 is $1,000,000.

Net periodic pension cost includes the following components at September 30:

	2010	2009
Service cost	**$ 10,360,836**	$ 8,014,630
Interest cost	**10,601,834**	11,953,769
Expected return on plan assets	**(13,150,540)**	(13,529,952)
Amortization of prior service cost	**(728,403)**	(728,403)
Amortization of unrecognized loss	**1,906,636**	-
Net periodic pension expense	**$ 8,990,363**	$ 5,710,044

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2010	2009
Discount rate	**5.50%**	7.60%
Expected return on assets	**8.25**	8.75
Rate of compensation increase	**4.00**	4.50

The following table presents a reconciliation of the beginning and ending balances of the plan projected benefit obligations, fair value of plan assets, and funded status of the plan as of September 30:

	2010	2009
Changes in benefit obligations		
Projected benefit obligations at beginning of year	**$197,178,743**	$162,076,141
Service cost	**10,360,836**	8,014,630
Interest cost	**10,601,834**	11,953,769
Actuarial loss	**13,714,782**	25,125,910
Benefits and expenses paid	**(13,608,066)**	(9,991,707)
Plan change	**(1,948,949)**	-
Projected benefit obligations at end of year	**$216,299,180**	$197,178,743

RIDOH 0933

9. Pension Plans (continued)

	2010	2009
Changes in plan assets		
Fair value of plan assets at beginning of period	**$156,816,240**	$155,084,371
Actual return on plan assets	**15,087,214**	3,723,576
Employer contributions	**12,475,000**	8,000,000
Benefits and expenses paid	**(13,608,066)**	(9,991,707)
Fair value of plan assets at end of period	**$170,770,388**	$156,816,240
Funded status		
Total pension liability	**$(45,528,792)**	$ (40,362,503)
Accumulated benefit obligation	**$214,765,024**	$194,279,697

The assumptions used to develop the projected benefit obligation as of September 30 are as follows:

	2010	2009
Measurement date	**September 30**	September 30
Discount rate	**5.3%**	5.5%
Rate of compensation increase	**4.0**	4.0

Plan Assets

The Plan's investment objectives are to achieve long-term growth in excess of inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets. In order to minimize risk, the Plan attempts to minimize the variability in yearly returns. The Plan diversifies its holdings among sectors, industries, and companies. No more than 6% of the Plan's portfolio (measured on market value) may be held in an individual company's stocks or bonds.

To develop the expected long-term rate of return on plan assets assumption, the Health System considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

RIDOH 0934

9. Pension Plans (continued)

The Health System's pension plan asset allocations (based on market value) at September 30, by asset category, are as follows:

	2010	
Asset Category	**Target**	**Actual**
Alternative investments	**28%**	26%
Fixed income securities	**20**	30
Equity securities	**52**	44
Total	**100%**	100%

Contributions

The Health System contributed $12,475,000 and $8,000,000 to the Plan in 2010 and 2009, respectively. The Health System expects to contribute $15,325,000 to the Plan in 2011.

Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	**Pension Benefits**
2011	$15,000,000
2012	13,000,000
2013	13,500,000
2014	13,800,000
2015	14,000,000
Years 2016 – 2020	71,900,000

The Care New England Board of Trustees voted, on September 23, 2010, to freeze the Plan effective December 31, 2010. Effective December 31, 2010, compensation paid to a participant shall be disregarded for plan purposes, except for purposes related to determining benefits for the unionized employees at Butler. In addition, a participant's cash balance account will only increase annually for interest credit. As a result, the System realized a gain on the curtailment of the Plan in the fiscal year ending September 30, 2010 of $3,194,728, which is recorded in pension expense. In connection with the Plan freeze, the Health System will enhance contributions to the Care New England 403(b) Match and Savings Plan.

RIDOH 0935

9. Pension Plans (continued)

Care New England 403(b) Match and Savings Plan

As a result of the Pension Plan Protection legislation, regulatory changes impacting matching credits previously recorded in the CNE Pension Plan were discontinued effective January 1, 2009. As a result, CNE established the Care New England 403(b) Plan to account for future matching credits. The plan covers employees that meet certain eligibility requirements. For the period of October 1, 2009 through September 30, 2010, the Health System recorded an expense of $2,776,391. For the period of January 1, 2009 to September 30, 2009, the Health System recorded an expense of $1,996,552. In the fiscal year that ended September 30, 2010, the Health System funded $2,657,261 to the plan for the calendar year 2009 matching credits, and will fund the calendar year 2010 matching credits during fiscal year 2011.

Effective January 1, 2011, in connection with the freeze of the Care New England Pension Plan, the Health System will provide a non-elective contribution to participant accounts, as defined in the Plan document. Non-elective contributions will be allocated to each eligible participant based on a percentage of salary based on a combination of the recipients age and years of service, and will be credited to each such participant as of the first day of the Plan year, as further described in the Plan document.

WIH Union Plan

Payments to a multiemployer pension plan covering union employees at WIH for the years ended September 30, 2010 and 2009 were $7,535,000 and $6,493,000, respectively.

Kent County Visiting Nurse Association Pension Plan

The Agency has a non-contributory defined benefit pension plan covering all employees who have satisfied certain eligibility requirements that was frozen effective December 31, 2007, and replaced with a contributory retirement savings plan. Benefits under the defined benefit plan were based on years of service and employee's compensation levels.

Included in the charge to net assets at September 30, 2010 is an unrecognized actuarial loss of $2,708,723. The actuarial loss expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2011 is $216,583.

The Agency's pension expense (income) was $165,914 in 2010 and $(24,000) in 2009.

RIDOH 0936

9. Pension Plans (continued)

Actuarial liabilities and pension costs were determined using actuarial assumptions consistent with the CNE plan. To develop the expected long-term rate of return on plan assets assumption, the Agency considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

Plan assets, valued at fair value, consist of 1% cash and cash equivalents and 99% mutual funds.

The Agency made required contributions to the Plan of $97,165 and $398,989 in 2010 and 2009, respectively. The Agency is expected to make $310,870 in contributions to the Plan during 2011. Benefit payments, which reflect expected future services, are expected to be paid as follows:

Fiscal Year	Pension Benefits
2011	$205,000
2012	212,000
2013	223,000
2014	234,000
2015	278,000
Years 2016 – 2020	2,174,000

Effective January 1, 2008, the Agency established a 403(b) Retirement Savings Plan that covers employees who have met certain eligibility requirements. Discretionary contributions to the plan are based on years of service and compensation levels. For the fiscal years that ended September 30, 2010 and 2009, respectively, the Agency recorded an expense of $227,728 and $232,457.

10. Patient Service Revenue

For the majority of the System's revenue, the Hospitals and the Agency have agreements with third-party payors that provide for payments to the Hospitals and the Agency at amounts different from their established rates. At the time of rendering service to the patients, the Hospitals and the Agency obtain assignment of benefits payable under the patient's health insurance program, plan, or policy (e.g., Medicaid, Blue Cross, health

RIDOH 0937

10. Patient Service Revenue (continued)

maintenance organizations, commercial insurance, Medicare, and others). The following is a breakdown of gross patient service revenue by payor type for the years ended September 30:

	2010	2009
Medicare and Medicare Managed Care	**31%**	30%
Medicaid and Medicaid Managed Care	**20**	21
Blue Cross	**26**	26
Managed care	**11**	11
Self-pay	**4**	4
Other third-party payors	**8**	8
	100%	100%

CNE, on behalf of the Hospitals and the Agency, is in the process of negotiations with United Health Plan for renewal of a payment agreement representing a significant portion of the System's revenues. This agreement is set to expire on December 31, 2010. To date, there has been no agreement with respect to new contract terms.

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there will always be a possibility that the recorded estimates of net revenue could change by a significant amount in the future. The Hospitals and the Agency believe they are in compliance with all applicable laws and regulations. Cost reports filed annually with third-party payors are subject to audit prior to final settlement. The Hospitals and the Agency are compliant with all reimbursement filings. A summary of cost report activity as of September 30, 2010 is as follows:

Medicare: Cost reports for the Hospitals and the Agency have been filed through 2009 and settled through 2009 for the Agency, 2008 for Butler, and 2006 for Kent and WIH.

State of Rhode Island (Medicaid): Cost reports have been filed for Butler and WIH through 2009, and Kent through 2008, and settled through 2006 for Butler and Kent, and 2003 for WIH.

RIDOH 0938

10. Patient Service Revenue (continued)

The filing of these cost reports and associated settlements require the use of estimates. Net patient service revenue was increased by $4,411,454 and $6,110,000 in 2010 and 2009, respectively, to reflect changes in the estimated settlements for certain prior years. There were no changes in other prior year estimates during 2010. In 2009, the change in other prior year estimates increased operating expenses by approximately $4,000,000 in 2009.

11. Disproportionate Share

The government has long recognized the financial burdens which are borne by hospitals which serve an unusually large number, or "disproportionate share", of low-income patients. Kent and WIH received disproportionate share payments of $24,190,258 and $25,016,538 from the State of Rhode Island's Medicaid program for the years ended September 30, 2010 and 2009, respectively. Kent and WIH also recorded disproportionate share payments of $4,952,000 and $4,617,926 from Medicare during 2010 and 2009, respectively.

12. Concentration of Credit Risk

As of September 30, 2010 and 2009, Care New England, the Hospitals, and the Agency had cash and cash equivalents in excess of Federal Depository Insurance limits at major financial institutions. These financial institutions have a strong credit rating, and management believes that credit risks related to these deposits are minimal.

The Hospitals and the Agency receive a significant portion of its payment for services rendered from a limited number of governmental and commercial third-party payors, including Medicare, Medicaid, and Blue Cross. The organization has not historically incurred any significant concentrated credit losses in the normal course of business.

RIDOH 0939

12. Concentration of Credit Risk (continued)

In addition, the organizations routinely grant credit to patients without requiring collateral or other security. The mix of receivables, net of contractual allowances, from patients and third-party payors at September 30, 2010 and 2009, was as follows:

	2010	2009
Medicare and Medicare Managed Care	**11%**	11%
Medicaid and Medicaid Managed Care	**30**	27
Blue Cross	**16**	17
Managed care	**9**	10
Self-pay	**19**	21
Other third-party payors	**15**	14
	100%	100%

The Health System provides an allowance for uncollectible accounts to address the risks of non-payment of accounts receivable.

13. Postretirement Plans

Kent sponsors unfunded non-contributory defined benefit postretirement plans that provide medical and dental benefits to certain salaried and non-salaried employees. In 1996, Kent amended the plans to eliminate benefits for all employees, except for certain employees with at least 25 years of service at that date.

Included in the charge to net assets are the following amounts that have not yet been recognized in net periodic postretirement benefit cost as of September 30, 2010 and 2009, respectively: unrecognized net transition obligation of $451,750 and $548,750 and unrecognized actuarial loss (gain) of $278,826 and $(143,634). The unrecognized net transition obligation and actuarial gain expected to be recognized in net periodic postretirement costs during the fiscal year ended September 30, 2011 are $97,000 and $2,619, respectively.

The postretirement benefit cost for these plans was $759,771 in 2010 and $191,907 in 2009. Included in the benefit cost for the plan in 2010 is $581,795 related to the costs of the special event, the offering of an early retirement program.

RIDOH 0940

14. Commitments and Contingencies

Operating Leases

Care New England, the Hospitals, and the Agency have entered into operating lease agreements with several vendors for the lease of certain equipment and office space. Future minimum lease payments under non-cancelable operating leases as of September 30, 2010 are:

Year Ending September 30:	
2011	$ 5,704,776
2012	4,773,973
2013	4,164,512
2014	3,652,393
2015	3,008,689
Later years	42,052,314
Total minimum lease payments	$63,356,657

Total rent expense for operating leases for the years ended September 30, 2010 and 2009 amounted to $5,545,102 and $3,791,000, respectively.

Butler has entered into several agreements with various parties, mostly non-profit organizations, to lease space on the Butler campus. Rental income in the amount of $2,939,233 and $3,026,139 for the fiscal years ending September 30, 2010 and 2009, respectively, is included in other operating revenues in the statements of operations.

Litigation

CNE, the Affiliates, and the Agency have been individually named as codefendants in several complaints. It is the opinion of management that the liability, if any, to CNE, the Affiliates, and the Agency in excess of insurance coverage will have no material adverse effect on the consolidated financial position of Care New England.

Collective Bargaining Agreements

At September 30, 2010, approximately 40% of the Health System's employees were covered by collective bargaining agreements. The collective bargaining agreement covering 27% of Kent Hospital employees will expire on June 30, 2011, and be subject to negotiation. The remaining bargaining agreements will be in effect through 2011.

RIDOH 0941

15. Professional and General Liability Claims

Due to strategic and economic issues, as well as the potential for limited availability of commercial insurance policies, the Care New England entities have moved over time to covering the majority of their professional and general liability insurance to self-insured approaches. The adequacy of the coverage provided, reserves, and the funding levels are evaluated annually by independent actuaries who review the soundness of the programs and recommend future funding levels. Potential losses are estimated based on industry as well as entity experience, and a provision for these losses is recorded.

Butler annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage. Butler's professional liability coverage for claims in excess of its primary coverage limits is provided by W&I Indemnity.

Kent Hospital established Toll Gate Indemnity in September 2004, as an off-shore captive insurance entity to insure primary and excess hospital professional and general liability risks, as well as to supply indemnification coverage for certain eligible medical staff.

WIH annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage.

In addition to the trust fund, WIH established W&I Indemnity, as an off-shore captive insurance entity to provide coverage for claims in excess of its underlying policy, as well as to insure the contractual liability arising from indemnification agreements with certain eligible medical staff.

The provisions for anticipated losses were based upon expected undiscounted values. Trust fund and captive assets are available for the payment of claims.

CNE Wellness Centers, LLC and the Agency purchase general and professional liability insurance from Toll Gate Indemnity.

RIDOH 0942

16. Other Self-Insurance Reserves

Care New England has established a workers' compensation trust fund to cover all past and future self-insured claims of workers' compensation activity for CNE, the Hospitals, and the Agency. The reserve for workers' compensation losses is based on an actuarial study and actual experience. At September 30, 2010 and 2009, the amounts accrued for estimated self-insurance costs have not been discounted.

CNE, on behalf of itself, the Hospitals, and the Agency, has entered into a self-insurance program for health insurance risks. This program covers the health insurance claims for all of CNE's, the Hospitals', and the Agency's employees, with the exception of the unionized employees at WIH. The provisions for health insurance losses are based on actuarial assumptions and actual claims experience.

17. Affiliation with Rhode Island Hospital

In 1981, RIH and WIH approved an agreement providing for the affiliation of the two Hospitals. The affiliation agreement provides for a program of shared medical services, thereby greatly increasing the scope of comprehensive acute-care services available to WIH in maternal, gynecological, and neonatal care. In accordance with the agreement, the Hospital relocated to the property of RIH.

18. Affiliation with Accredited Medical Schools

Butler and WIH are affiliated with Brown University. The affiliation agreements provide that Butler and WIH will be the principal academic medical centers for psychiatry and healthcare unique to women and newborns, respectively. Kent is affiliated with the University of New England College of Osteopathic Medicine.

19. Functional Expenses

CNE provides healthcare services to residents within their geographic service areas. Expenses related to providing these services for the years ended September 30 are as follows:

	2010	2009
Healthcare services	**$630,931,072**	$603,727,191
General and administrative	**155,499,660**	144,173,241
	$786,430,732	$747,900,432

RIDOH 0943

20. Fair Value of Financial Instruments

The Health System calculates fair value defined in ASC Topic 820 to value its financial assets and liabilities, where applicable. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. Topic 820 applies to other accounting pronouncements that require or permit fair value measurements, and does not require new fair value measurements. Fair value measurements, are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Health System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers non-performance risk in its assessment of fair value.

RIDOH 0944

20. Fair Value Measurements (continued)

Financial instruments carried at fair value for the System's non-pension plan assets as of September 30, 2010 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	**$ 15,247,264**	**$ -**	**$ -**	**$ 15,247,264**
Institutional money market	**-**	**3,233,538**	**-**	**3,233,538**
U.S. government notes and bonds	**21,937,224**	**-**	**-**	**21,937,224**
Fixed income securities	**-**	**15,643,102**	**2,000,698**	**17,643,800**
Equity securities	**67,008,266**	**-**	**12,615,864**	**79,624,130**
Auction rate securities	**-**	**-**	**19,817,913**	**19,817,913**
Mutual funds	**81,266,455**	**1,786,390**	**-**	**83,052,845**
Other	**27,527,891**	**-**	**-**	**27,527,891**
	$212,987,100	**$20,663,030**	**$34,434,475**	**$268,084,605**
Liabilities				
Interest rate swap agreements	**$ -**	**$ (9,816,848)**	**$ -**	**$ (9,816,848)**

Financial instruments carried at fair value for the System's non-pension plan assets as of September 30, 2009 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 19,371,928	$ -	$ -	$ 19,371,928
Institutional money market	-	2,649,000	-	2,649,000
U.S. government notes and bonds	20,721,298	-	-	20,721,298
Fixed income securities	-	12,814,417	-	12,814,417
Equity securities	57,142,158	-	10,254,607	67,396,765
Auction rate securities	-	-	22,735,000	22,735,000
Mutual funds	69,879,453	1,644,000	-	71,523,453
Other	28,897,884	-	-	28,897,884
	$196,012,721	$17,107,417	$32,989,607	$246,109,745
Liabilities				
Interest rate swap agreements	$ -	$ (6,140,997)	$ -	$ (6,140,997)

RIDOH 0945

20. Fair Value Measurements (continued)

The amounts reported in the financial instruments table exclude alternative investments valued at approximately $8,524,103 as of September 30, 2010 and $7,852,000 as of September 30, 2009 (Note 5).

Financial instruments carried at fair value for assets invested in the Defined Benefit Pension Plan as of September 30, 2010 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 8,715,153	$ -	$ -	$ 8,715,153
Fixed income securities	30,998,418	-	-	30,998,418
Equity securities	19,536,877	-	-	19,536,877
Mutual funds	4,582,447	-	-	4,582,447
Alternative investments	-	40,615,786	66,321,707	106,937,493
	$63,832,895	$40,615,786	$66,321,707	$170,770,388

Financial instruments carried at fair value for the pension plan assets as of September 30, 2009 are classified in the table below in one of the three categories described above:

	Level 1	Level 2	Level 3	Total
Assets				
Cash and cash equivalents	$ 671,648	$ -	$ -	$ 671,648
Fixed income securities	28,600,790	-	-	28,600,790
Equity securities	21,356,772	-	-	21,356,772
Mutual funds	2,122,967	-	-	2,122,967
Alternative investments	271,465	41,684,345	62,108,253	104,064,063
	$53,023,642	$41,684,345	$62,108,253	$156,816,240

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Fair value for Level 3 is based upon unobservable inputs for the asset (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset (including assumptions about risk).

RIDOH 0946

20. Fair Value Measurements (continued)

The fair value of interest rate swap agreements is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, Treasury yields, and credit spreads.

The following methods and assumptions were used in estimating the fair value of financial instruments:

Accounts payable and accrued expenses: The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

Estimated third-party payor settlements: The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.

Long-term debt: The Health System's long-term debt obligations are reported in the accompanying statements of financial position at principal value less unamortized discount or premium, which totaled approximately $83 million at September 30, 2010, excluding capital leases. The estimated fair value of the Health System's long-term debt as of September 30, 2010 approximated its carrying value.

RIDOH 0947

20. Fair Value Measurements (continued)

During the years ended September 30, 2010 and 2009, respectively, the changes in the fair value for the System's financial instruments in the non-pension plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning balance (at October 1, 2008):	$32,815,588
Total realized and unrealized gains (losses):	
Included in income from operations	75,034
Included in non-operating gains	63,020
Included in changes in net assets	(36,638)
Purchases, issuances, and settlements	132,637
Transfers in and/or out of Level 3	(60,034)
Ending balance (at September 30, 2009)	$32,989,607
Beginning balance (at October 1, 2009):	$32,989,607
Total realized and unrealized gains (losses):	
Included in income from operations	50,482
Included in non-operating losses	(17,310)
Included in changes in net assets	26,163
Purchases, issuances, and settlements	907,136
Transfers in and/or out of Level 3	478,397
Ending balance (at September 30, 2010)	$34,434,475

RIDOH 0948

20. Fair Value Measurements (continued)

During the year ended September 30, 2010, the changes in the fair value for the System's financial instruments invested in the System's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning balance (at October 1, 2009):	$62,108,253
Total unrealized gains (losses):	
Included in changes in net assets	3,326,465
Purchases, issuances, and settlements	886,989
Ending balance (at September 30, 2010)	$66,321,707

21. Termination of Affiliation Agreement with Lifespan

In July 2007, Care New England Health System and Lifespan Corporation entered into an Affiliation Agreement under which Care New England and its affiliates would merge into Lifespan Corporation. From the time of the execution of this agreement through early 2010, the parties endeavored to procure regulatory approvals required to consummate this transaction. The parties mutually agreed to terminate the Affiliation Agreement in February 2010.

22. Subsequent Event

By November 23, 2010, the Care New England Board of Directors and the Board of Directors of Butler, Kent, and Women and Infants Hospitals voted to approve one or more series of Rhode Island Health and Educational Building Corporation fixed interest tax exempt financing bonds in aggregate, principal amount not to exceed $40,000,000 to finance (1) approximately $10,000,000 in construction, equipping and furnishing of a two-story addition to Butler's existing hospital facility, (2) approximately $12,000,000 for (a) renovation, equipping, and furnishing of existing hospital space to house a 10-bed, short-stay unit and (b) equipping and furnishing of a 30,000 square foot ambulatory surgical center to Kent's existing hospital facility, (3) refinancing of (a) commercial mortgage between Women and Infants Hospital and Bank of America, NA and (b) commercial mortgage between Women and Infants Hospital and Bank Rhode Island (c) capital lease between Butler and Harbor Group Home, LLC, (4) reimbursing and financing a portion of the fiscal years ending 2010 through 2013 routine capital upgrades, (5) debt service associated with the bonds, and (6) issuance costs and capitalized interest. It is expected that the bonds, will be issued during the Health System's fiscal year ending September 30, 2011.

RIDOH 0949

Ernst & Young LLP
200 Clarendon Street
Boston, Massachusetts 02116-5072
Tel: + 1 617 266 2000
Fax: + 1 617 266 5843
www.ey.com

Independent Auditors' Report on Other Financial Information

The Board of Trustees
Care New England Health System

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The accompanying consolidating balance sheets, statements of operations and changes in net assets, and statements of cash flows and supplemental schedules requested by the Rhode Island Department of Health are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information has been subjected to the auditing procedures applied in our audits of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

Ernst & Young LLP

December 23, 2010

A member firm of Ernst & Young Global Limited

Care New England Health System and Affiliates

Details of Consolidated Balance Sheet

September 30, 2010

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 16,054,008	$ 9,327,359	$ 53,094,889	$ 5,001,310	$ 1,130,139	$ (5,700,000)	$ 78,907,705
Investments	2,539,711			-	307,286	-	2,846,997
Patient accounts receivable	6,482,983	51,837,116	51,808,602	-	2,199,079	-	112,327,780
Less estimated uncollectibles	1,413,776	17,868,916	11,530,000	-	483,353	-	31,296,045
Net patient accounts receivable	5,069,207	33,968,200	40,278,602	-	1,715,726	-	81,031,735
Other receivables	2,178,380	1,264,783	9,027,093	209,647	119,343	-	12,799,246
Pledges receivable, net	96,082	167,476	1,040,201	-	-	-	1,303,759
Other current assets	836,117	4,343,700	2,571,910	1,736,972	15,051	-	9,503,750
Current portion of assets whose use is limited	265,979	2,319,529	692,005	209,250	43,322	-	3,530,085
Due from affiliates – other	3,222,898	862,067	520,043	4,682,521	228,733	(9,516,262)	-
Due from affiliates – debt	-	-	-	70,774,161	-	(70,774,161)	-
Total current assets	30,262,382	52,253,114	107,224,743	82,613,861	3,559,600	(85,990,423)	189,923,277
Assets whose use is limited or restricted as to use							
Endowment funds	14,566,537	14,313,377	7,883,846	-	-	-	36,763,760
Board-designated funds	3,686,272	19,882,178	52,176,060	1,729,787	284,496	-	77,758,793
Trustee-held funds	2,043,381	22,900,765	108,289,091	-	-	-	133,233,237
Deferred compensation funds	1,322,195	624,905	594,647	67,614	48,562	-	2,657,923
Total assets limited as to use	21,618,385	57,721,225	168,943,644	1,797,401	333,058	-	250,413,713
Property, plant, and equipment, net	22,172,744	69,381,958	157,939,409	2,798,420	934,772	-	253,227,303
Pledges receivable, net	141,601	151,600	992,237	-	-	-	1,285,438
Investments	2,454,147	-	9,816,603	7,547,163	-	-	19,817,913
Other assets	10,708	541,742	341,831	276,637	-	-	1,170,918
Total assets	$ 76,659,967	$ 180,049,639	$ 445,258,467	$ 95,033,482	$ 4,827,430	$ (85,990,423)	$ 715,838,562

RIDOH 0951

Care New England Health System and Affiliates

Details of Consolidated Balance Sheet (continued)

September 30, 2010

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Liabilities and net assets							
Current liabilities							
Accounts payable and accrued expenses	$ 10,403,530	$ 38,595,953	$ 41,894,520	$ 7,895,143	$ 2,600,367	$ -	$ 101,389,513
Current portion of estimated third-party payor settlements and advances	630,976	4,053,726	10,504,700	-	-	-	15,189,402
Current portion of long-term debt and capital leases	299,816	1,858,446	826,384	2,960,000	32,155	-	5,976,801
Current portion of long-term debt, due to parent	139,209	868,642	1,836,868	-	-	(2,844,719)	-
Pension liability	218,898	1,072,008	659,936	164,840	310,870	-	2,426,552
Interest rate swap		-	-	1,104,629	-	-	1,104,629
Other current liabilities	501,417	247,747	3,368,848	199,601	316,995	-	4,634,608
Due to affiliates	885,970	4,652,463	2,515,085	963,440	499,304	(9,516,262)	-
Total current liabilities	13,079,816	51,348,985	61,606,341	13,287,653	3,759,691	(12,360,981)	130,721,505
Long term liabilities							
Self-insurance reserves	1,915,003	17,092,337	75,640,868	9,489,352	-	-	104,137,560
Long-term portion of third-party payor settlements	2,293,858	3,537,185	14,882,363	-	-	-	20,713,406
Long-term debt and capital leases	5,227,418	4,298,680	4,873,644	71,540,000	99,764	-	86,039,506
Pension liability	7,627,750	23,744,154	11,841,536	2,315,354	1,912,547	-	47,441,341
Postretirement liability	-	2,396,079	-	-	-	-	2,396,079
Interest rate swap		-	-	8,712,219	-	-	8,712,219
Other liabilities	2,250,538	1,861,663	3,889,422	290,420	101,848	-	8,393,891
Due to parent, long-term debt	4,359,960	15,617,244	47,952,238	-	5,700,000	(73,629,442)	-
Total long-term liabilities	23,674,527	68,547,342	159,080,071	92,347,345	7,814,159	(73,629,442)	277,834,002
Net assets							
Unrestricted	20,287,343	44,816,535	194,312,831	(10,601,516)	(6,746,420)	-	242,068,773
Temporarily restricted	17,195,224	3,280,357	26,207,031	-	-	-	46,682,612
Permanently restricted	2,423,057	12,056,420	4,052,193	-	-	-	18,531,670
Total net assets	39,905,624	60,153,312	224,572,055	(10,601,516)	(6,746,420)	-	307,283,055
Total liabilities and net assets	$ 76,659,967	$ 180,049,639	$ 445,258,467	$ 95,033,482	$ 4,827,430	$ (85,990,423)	$ 715,838,562

RIDOH 0952

Care New England Health System and Affiliates

Details of Consolidated Statements of Operations and Changes in Net Assets

Year Ended September 30, 2010

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Unrestricted revenues and gains							
Net patient service revenue	$ 63,737,786	$ 281,923,304	$ 349,744,265	$ 780,465	$ 15,728,664	$ (990,785)	$ 710,923,699
Net assets released from restrictions and used for operations	1,998,109	881,676	5,853,214	-	-		8,732,999
Other revenue	28,442,995	9,627,941	57,514,233	40,104,308	1,108,359	(51,184,287)	85,613,549
Total unrestricted revenues and gains	94,178,890	292,432,921	413,111,712	40,884,773	16,837,023	(52,175,072)	805,270,247
Operating expenses							
Salaries and benefits	67,580,100	156,715,351	262,164,149	24,134,223	13,565,627	(7,649,221)	516,510,229
Supplies and other expenses	17,224,256	79,052,629	85,709,134	15,180,947	2,165,300	(44,428,311)	154,903,955
Depreciation and amortization	3,162,849	8,477,767	15,319,714	387,292	252,278	-	27,599,900
Insurance	2,474,947	6,921,390	11,902,162	51,073	317,006	(71,000)	21,595,578
Licensure fee	-	12,041,993	15,824,541	-	-	-	27,866,534
Interest	447,197	311,461	494,844	9,142	18,368	(26,540)	1,254,472
Provision for uncollectible accounts	1,826,396	26,706,478	8,104,361	-	62,829	-	36,700,064
Total operating expenses	92,715,745	290,227,069	399,518,905	39,762,677	16,381,408	(52,175,072)	786,430,732
Income from operations	1,463,145	2,205,852	13,592,807	1,122,096	455,615	-	18,839,515
Non-operating gains and (losses)							
Investment income on assets limited as to use	983,035	390,625	929,447	115,358	268	-	2,418,733
Unrestricted gifts and bequests	55,906	-	365,270	-	68,393	-	489,569
Change in fair value of interest rate swaps				(3,675,851)	-	-	(3,675,851)
Net payments on interest rate swaps	(132,918)	(523,906)	(1,710,982)	(110,067)	-	-	(2,477,873)
Change in net unrealized gains on trading securities	273,351	1,632,397	8,480,064	80,597	23,655	-	10,490,064
Non-operating expenditures	(306,621)	(491,461)	(727,023)	-	(28,874)	-	(1,553,979)
Net non-operating gains	872,753	1,007,655	7,336,776	(3,589,963)	63,442	-	5,690,663
Excess (deficiency) of revenues and gains over expenses	2,335,898	3,213,507	20,929,583	(2,467,867)	519,057	-	24,530,178

RIDOH 0953

Care New England Health System and Affiliates

Details of Consolidated Statements of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2010

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses	$ 2,335,898	$ 3,213,507	$ 20,929,583	$ (2,467,867)	$ 519,057	$ -	$ 24,530,178
Pension and postretirement adjustments	(1,911,386)	(6,366,988)	(3,358,218)	(534,520)	(501,138)	-	(12,672,250)
Net assets released from restrictions used for purchase of property and equipment	406,058	930,067	3,456,066	-		-	4,792,191
Other	-	-	47,703	-	-	-	47,703
Transfers	109,500	363,500	505,000	(1,000,000)	22,000	-	-
(Decrease) increase in unrestricted net assets	940,070	(1,859,914)	21,580,134	(4,002,387)	39,919	-	16,697,822
Temporarily restricted net assets							
				-	-	-	-
Contributions, research and grants	2,442,646	1,716,948	7,229,503	-	-	-	11,389,097
Income from investments	282,144	305,371	121,747	-	-	-	709,262
Net realized and unrealized gain (loss) from investments investments	789,395	218,554	428,612	-	-	-	1,436,561
Net assets released from restrictions	(2,404,167)	(1,811,743)	(9,309,280)	-	-		(13,525,190)
Increase (decrease) in temporarily restricted net assets	1,110,018	429,130	(1,529,418)	-	-	-	9,730
Permanently restricted net assets							
Net realized and unrealized loss from investments	-	734,420	547	-	-	-	734,967
Contributions	82,691	8,534	61,410	-	-	-	152,635
Decrease in permanently restricted net assets	82,691	742,954	61,957	-	-	-	887,602
(Decrease) increase in net assets	2,132,779	(687,830)	20,112,673	(4,002,387)	39,919	-	17,595,154
							-
Net assets at beginning of year	37,772,845	60,841,142	204,459,382	(6,599,129)	(6,786,339)	-	289,687,901
Net assets at end of year	$ 39,905,624	$ 60,153,312	$ 224,572,055	$ (10,601,516)	$ (6,746,420)	$ -	$ 307,283,055

RIDOH 0954

Care New England Health System and Affiliates

Details of Consolidated Balance Sheet

September 30, 2009

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Assets							
Current assets							
Cash and cash equivalents	$ 16,034,386	$ (439,636)	$ 49,763,621	$ 3,039,880	$ 763,505	$ (6,000,000)	$ 63,161,756
Investments	1,689,850	-	-	-	307,036	-	1,996,886
Patient accounts receivable	6,411,370	50,641,719	50,748,371	-	2,413,145	-	110,214,605
Less estimated uncollectibles	1,716,114	18,082,505	10,145,000	-	464,663	-	30,408,282
Net patient accounts receivable	4,695,256	32,559,214	40,603,371	-	1,948,482	-	79,806,323
Other receivables	1,817,556	1,939,307	8,466,369	406,362	158,445	-	12,788,039
Pledges receivable, net	87,935	274,296	1,808,582	-	-	-	2,170,813
Other current assets	712,609	4,277,609	2,234,981	1,102,657	18,694	-	8,346,550
Current portion of assets whose use is limited	474,444	391,511	3,088,093	67,139	49,743	-	4,070,930
Due from affiliates – other	3,065,369	797,692	828,697	4,905,754	28,300	(9,625,812)	-
Due from affiliates – debt	-	-	-	74,197,781	-	(74,197,781)	-
Total current assets	28,577,405	39,799,993	106,793,714	83,719,573	3,274,205	(89,823,593)	172,341,297
Assets whose use is limited or restricted as to use:							
Endowment funds	13,623,764	13,351,869	7,156,790	-	-	-	34,132,423
Board-designated funds	3,384,836	18,164,356	47,477,432	-	266,252	-	69,292,876
Trustee-held funds	2,311,688	22,131,333	93,850,147	988,597	-	-	119,281,765
Deferred compensation funds	1,393,310	464,512	489,516	67,092	36,712	-	2,451,142
Total assets limited as to use	20,713,598	54,112,070	148,973,885	1,055,689	302,964	-	225,158,206
Property, plant, and equipment, net	22,447,526	72,748,542	157,579,857	3,098,576	1,009,640	-	256,884,141
Pledges receivable, net	224,501	147,399	2,260,937	-	-	-	2,632,837
Investments	2,815,386	-	11,261,550	8,658,064	-	-	22,735,000
Other assets	11,195	729,267	383,237	346,545	-	-	1,470,244
Total assets	$ 74,789,611	$ 167,537,271	$ 427,253,180	$ 96,878,447	$ 4,586,809	$ (89,823,593)	$ 681,221,725

RIDOH 0955

Care New England Health System and Affiliates

Details of Consolidated Balance Sheet (continued)

September 30, 2009

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Liabilities and net assets							
Current liabilities							
Accounts payable and accrued expenses	$ 11,622,137	$ 25,140,693	$ 40,824,098	$ 6,923,140	$ 2,586,881	$ -	$ 87,096,949
Current portion of estimated third-party payor settlements and advances	1,157,757	5,512,930	13,507,499	-	-	-	20,178,186
Current portion of long-term debt and capital leases	421,861	1,478,715	1,071,445	3,535,000	53,878	-	6,560,899
Current portion of long-term debt, due to parent	134,499	1,521,771	1,767,350	-	-	(3,423,620)	-
Pension liability	200,497	1,002,415	597,640	196,000	27,265	-	2,023,817
Other current liabilities	553,195	265,952	5,533,008	57,817	341,378	-	6,751,350
Due to affiliates	1,095,212	4,842,341	2,338,172	797,779	552,308	(9,625,812)	-
Total current liabilities	15,185,158	39,764,817	65,639,212	11,509,736	3,561,710	(13,049,432)	122,611,201
Long term liabilities							
Self-insurance reserves	1,251,982	19,801,095	72,703,772	8,907,944	-	-	102,664,793
Long-term portion of third-party payor settlements	2,648,136	3,615,182	14,839,409	-	-	-	21,102,727
Long-term debt and capital leases	5,247,021	2,137,723	5,700,917	74,500,000	131,918	-	87,717,579
Pension liability	5,995,355	21,486,725	10,804,054	2,076,372	1,626,265	-	41,988,771
Postretirement liability	-	1,569,705	-	-	-	-	1,569,705
Interest rate swap	-	-	-	6,140,997	-	-	6,140,997
Other liabilities	2,189,945	1,834,996	3,317,328	342,527	53,255	-	7,738,051
Due to parent, long-term debt	4,499,169	16,485,886	49,789,106	-	6,000,000	(76,774,161)	-
Total long-term liabilities	21,831,608	66,931,312	157,154,586	91,967,840	7,811,438	(76,774,161)	268,922,623
Net assets							
Unrestricted	19,347,273	46,676,449	172,732,697	(6,599,129)	(6,786,339)	-	225,370,951
Temporarily restricted	16,085,206	2,851,227	27,736,449	-	-	-	46,672,882
Permanently restricted	2,340,366	11,313,466	3,990,236	-	-	-	17,644,068
Total net assets	37,772,845	60,841,142	204,459,382	(6,599,129)	(6,786,339)	-	289,687,901
Total liabilities and net assets	$ 74,789,611	$ 167,537,271	$ 427,253,180	$ 96,878,447	$ 4,586,809	$ (89,823,593)	$ 681,221,725

RIDOH 0956

Care New England Health System and Affiliates

Details of Consolidated Statements of Operations and Changes in Net Assets

Year Ended September 30, 2009

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Unrestricted revenues and gains							
Net patient service revenue	$ 57,728,907	$ 274,520,829	$ 325,965,093	$ 996,070	$ 15,347,014	$ (549,549)	$ 674,008,364
Net assets released from restrictions and used for operations	2,047,350	789,187	5,229,160	-	-	-	8,065,697
Other revenue	28,416,999	8,762,016	57,896,890	39,067,030	1,205,807	(51,124,620)	84,224,122
Total unrestricted revenues and gains	88,193,256	284,072,032	389,091,143	40,063,100	16,552,821	(51,674,169)	766,298,183
Operating expenses							
Salaries and benefits	62,800,645	154,142,225	238,033,286	23,768,507	12,946,886	(8,316,957)	483,374,592
Supplies and other expenses	16,835,212	77,497,898	87,751,314	14,719,654	2,312,711	(43,288,401)	155,828,388
Depreciation and amortization	3,111,677	8,890,745	12,871,572	423,891	255,442	-	25,553,327
Insurance	1,238,725	9,656,917	14,496,080	21,024	340,230	(65,000)	25,687,976
Licensure fee	-	11,376,116	14,698,788	-	-	-	26,074,904
Interest	477,667	317,580	606,859	28,620	21,613	(3,811)	1,448,528
Provision for uncollectible accounts	1,789,361	21,155,403	6,890,996	-	96,957	-	29,932,717
Total operating expenses	86,253,287	283,036,884	375,348,895	38,961,696	15,973,839	(51,674,169)	747,900,432
Income from operations	1,939,969	1,035,148	13,742,248	1,101,404	578,982	-	18,397,751
Non-operating gains and (losses)							
Investment income on assets limited as to use	623,027	384,617	755,059	59,097	2,111	-	1,823,911
Unrestricted gifts and bequests	64,053	386	356,879	-	73,925	-	495,243
Change in fair value of interest rate swaps	-	-	-	(6,522,654)	-	-	(6,522,654)
Net payments on interest rate swaps	(118,193)	(494,497)	(627,569)	(97,873)	-	-	(1,338,132)
Change in net unrealized (losses) gains on trading securities	(194,644)	3,243,643	11,101,961	(246,865)	(16,510)	-	13,887,585
Non-operating expenditures	(308,111)	(498,495)	(1,137,039)	-	(20,933)	-	(1,964,578)
Net non-operating gains and (losses)	66,132	2,635,654	10,449,291	(6,808,295)	38,593	-	6,381,375
Excess (deficiency) of revenues and gains over expenses	2,006,101	3,670,802	24,191,539	(5,706,891)	617,575	-	24,779,126

RIDOH 0957

Care New England Health System and Affiliates

Details of Consolidated Statements of Operations and Changes in Net Assets (continued)

Year Ended September 30, 2009

	Butler	Kent	WIC	Care New England	The Agency	Eliminations	Total
Unrestricted net assets							
Excess (deficiency) of revenues and gains over expenses	$ 2,006,101	$ 3,670,802	$ 24,191,539	$ (5,706,891)	$ 617,575	$ -	$ 24,779,126
Pension and postretirement adjustments	(5,394,305)	(18,903,424)	(9,619,076)	(1,789,091)	(1,675,455)	-	(37,381,351)
Net assets released from restrictions used for purchase of property and equipment	437,446	1,443,538	17,962,505	-	-	-	19,843,489
Transfers	197,356	684,073	893,892	(1,819,196)	43,875	-	-
(Decrease) increase in unrestricted net assets	(2,753,402)	(13,105,011)	33,428,860	(9,315,178)	(1,014,005)	-	7,241,264
Temporarily restricted net assets							
Contributions, research and grants	2,312,155	1,697,926	7,442,336	-	-	-	11,452,417
Transfer from permanently restricted net assets	11,222,148	2,038,403	3,045,420	-	-	-	16,305,971
Income from investments	291,557	477,279	12,075	-	-	-	780,911
Net realized and unrealized loss from investments	(34,938)	-	62,825	-	-	-	27,887
Net assets released from restrictions	(2,484,796)	(2,232,725)	(23,191,655)	-	-		(27,909,176)
Increase (decrease) in temporarily restricted net assets	11,306,126	1,980,883	(12,628,999)	-	-	-	658,010
Permanently restricted net assets							
Net realized and unrealized loss from investments	(1,293,106)	(268,122)	986	-	-	-	(1,560,242)
Transfer to temporarily restricted net assets	(11,222,148)	(2,038,403)	(3,045,420)	-	-	-	(16,305,971)
Contributions	471,500	1,050	91,305	-	-	-	563,855
Decrease in permanently restricted net assets	(12,043,754)	(2,305,475)	(2,953,129)	-	-	-	(17,302,358)
(Decrease) increase in net assets	(3,491,030)	(13,429,603)	17,846,732	(9,315,178)	(1,014,005)	-	(9,403,084)
Net assets at beginning of year	41,263,875	74,270,745	186,612,650	2,716,049	(5,772,334)	-	299,090,985
Net assets at end of year	$ 37,772,845	$ 60,841,142	$ 204,459,382	$ (6,599,129)	$ (6,786,339)	$ -	$ 289,687,901

RIDOH 0958

EXHIBIT 10 Table of Contents

Tab	Description	Bates Number
10-A	McDermott Will & Emery – Summary of CNE's Affiliation Agreement with MHRI – December 20, 2012	RIDOH 0960
10-B	McDermott Will & Emery – Executive Summary of CNE's Affiliation Agreement with MHRI	RIDOH 0964

McDermott
Will & Emery

Summary of Care New England's Affiliation Agreement with Memorial Hospital of Rhode Island

December 20, 2012

John Callahan
McDermott Will & Emery LLP
jcallahan@mwe.com

Attorney-Client Privileged and Confidential

Boston Brussels Chicago Düsseldorf Houston London Los Angeles Miami Milan Munich New York Orange County Rome San Diego Silicon Valley Washington, D.C.
Strategic alliance with MWE China Law Offices (Shanghai)

© 2010 McDermott Will & Emery LLP. McDermott operates its practice through separate legal entities in each of the countries where it has offices. This communication may be considered attorney advertising. Previous results are not a guarantee of future outcome. The following legal entities are collectively referred to as "McDermott Will & Emery," "McDermott" or "the Firm". McDermott Will & Emery LLP, McDermott Will & Emery/Stanbrook LLP, McDermott Will & Emery Rechtsanwälte Steuerberater LLP, MWE Steuerberatungsgesellschaft mbH, McDermott Will & Emery Studio Legale Associato and McDermott Will & Emery UK LLP. These entities coordinate their activities through service agreements. This communication may be considered advertising under the rules regulating the legal profession.

RIDOH 0960

Summary of Affiliation Agreement

McDermott Will & Emery

- Structure and Governance
- Financial and Operational Commitments
- Representations and Warranties of MHRI Parent and MHRI

RIDOH 0961

Summary of Affiliation Agreement

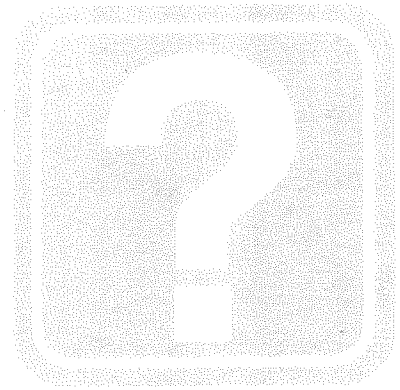
McDermott Will & Emery

- Pre-Closing Covenants of the Parties
- Conditions Precedent to Closing
- MHRI Foundation
- Termination

RIDOH 0962

Questions?

McDermott Will & Emery



RIDOH 0963

Executive Summary of
Care New England's Affiliation Agreement with Memorial Hospital of Rhode Island

The following is a summary of the material terms of Care New England Health System's ("**CNE**") proposed transaction with The Memorial Hospital of Rhode Island ("**MHRI**") and its parent organization Southeastern Healthcare System, Inc. ("**MHRI Parent**"), as reflected in the current draft of the Affiliation Agreement (the "**Agreement**").

Affiliation Agreement

1. Implementation of Affiliation and Governance

- CNE becomes the sole corporate member of MHRI Parent. In essence, this makes CNE the corporate parent of all of the entities within the Memorial system, but otherwise leaves their existing corporate structure intact.

- CNE, directly or indirectly, holds reserved powers over MHRI Parent and its affiliates.

- The CNE Board will be expanded to include four additional members, including three "At-Large Directors" nominated by MHRI and approved by CNE, and one "Ex-Officio Director," the President of the MHRI Medical Staff. The "At-Large Directors" will serve three year terms.

- The members of the MHRI Parent's and MHRI's Board of Trustees will be comprised of those individuals who from time to time serve as members of the CNE Board, and MHRI Parent's and MHRI's board officers will be identical to the CNE officers.

- CNE, MHRI Parent and MHRI will amend and restate their governing documents to reflect the items above.

- Individuals who formerly served on the MHRI Parent or MHRI Board of Trustees will be eligible to participate on certain CNE committees, subject to meeting certain qualifications and the approval of the CNE Board.

2. Financial and Operational Commitments

- No cash or similar financial consideration will be paid at Closing.

- MHRI will have access to the same capital pool and planning process as other hospitals in the CNE System.

- CNE will either (i) call, discharge or refinance MHRI's bond indebtedness (approximately $11M as of September 2012), or (ii) work with MHRI to form the most effective credit group structure, which may include the formation of a single obligated group, as determined by CNE.

- CNE will fund any operating shortfall of MHRI until September 30, 2016, as determined necessary by CNE.

- The Parties will endeavor to make charity care available to the communities MHRI serves, including the Blackstone Valley community, at a level comparable to the level of charity care provided to other similarly-situated entities in the CNE System.

- MHRI will be the combined system's primary academic teaching base for Brown University with respect to family medicine and internal medicine; MHRI's Chief of Family Medicine would be named the Executive Chief of Family Medicine for the CNE System; and MHRI's Chief of Internal Medicine would be named the Executive Chief of Internal Medicine for the CNE System. The Medical Staff of MHRI would remain independent.

- MHRI and its affiliates will retain their current names, and be identified as a "CNE Affiliate"

- CNE and MHRI will continue to be separate and distinct employers.

- CNE will provide MHRI the same 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. CNE may choose to implement these services over time to ensure that existing contractual obligations to third-party service providers are honored and to ensure a smooth and seamless transition.

3. Representations and Warranties of MHRI Parent and MHRI

- MHRI Parent and MHRI each make numerous representations and warranties regarding the current and historic operations of MHRI Parent and its affiliates (e.g., financial statements, compliance with laws, benefits plans, environmental, medical staff, title to assets, etc.).

- If these representations and warranties prove to be untrue, CNE can elect not to close the transaction. At Closing, the representations and warranties terminate and have no further effect.

4. Pre-Closing Covenants of the Parties

- After the Agreement is executed, the parties will seek regulatory approvals and take other actions necessary to consummate the transaction.

- During this "pre-closing period", MHRI Parent and MHRI agree to preserve, protect and maintain the business, property and assets; preserve the accuracy of representations and warranties; give CNE access to information; and to refrain from discussing or entering into competing transactions with others.

- CNE makes similar pre-closing covenants to preserve its business, property and assets, and to refrain from entering into transactions that would prevent it from consummating the Affiliation.

5. Conditions Precedent to Closing

- Before CNE is required to consummate the transactions contemplated by the Agreement (i.e., after the Agreement is signed), certain conditions must be met. These include:

  - All regulatory approvals must be obtained.

  - All of MHRI Parent's and MHRI's representations and warranties must be true.

  - CNE has completed its due diligence investigation of MHRI Parent and its affiliates and, in its sole discretion, is satisfied with the results of such investigation.

  - MHRI must have delivered a title commitment and a Phase I Environmental Site Assessment Report for the real estate parcels comprising MHRI's main campus.

  - MHRI must have frozen its defined benefit pension plan.

  - The Parties will have developed a mutually agreeable plan with respect to Memorial's welfare plans.

  - CNE must have either: (i) refinanced Memorial's existing bond indebtedness and obtained such consents and approvals for Memorial to join CNE's Obligated Group; or (ii) obtained any consents related to CNE's bond indebtedness that are required for CNE to fund MHRI's operating shortfalls, at CNE's discretion.

  - Memorial, at its sole cost and expense, must have obtained a reporting endorsement on its insurance coverage that was underwritten on a claims-made basis.

  - None of MHRI Parent, the MHRI Affiliates and the PHO will: (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 will any such petition have been filed against MHRI Parent, any MHRI Affiliate or the PHO.

  - Memorial must have dissolved and wound up the affairs of The RS Realty Company, a Rhode Island corporation, and all proceeds must have been transferred to MHRI or another MHRI Affiliate.

6. MHRI Foundation

- Following the Closing Date, CNE is required to incorporate a Rhode Island non-profit corporation whose sole member is MHRI (the "**MHRI Foundation**") as the primary fund-raising entity for MHRI. Its board of directors will be elected by MHRI upon recommendation of the CNE Governance and Nominating Committee. For the first three years of its existence, at least 51% of the directors on the MHRI Foundation board must have been MHRI trustees prior to Closing.

7. Termination

- The Agreement may be terminated before the Closing Date upon the occurrence of the following:
  - Upon the written consent of the Parties;
  - In the event any of the conditions precedent to the performance of the obligations of the Parties cannot be fulfilled;
  - If any necessary consents or approvals are refused or withdrawn;
  - If the Closing does not occur by September 30, 2013; or
  - Upon receipt of a Second Request for Information from the Federal Trade Commission (the "**FTC**") following submission of the Parties' Hart-Scott-Rodino pre-merger notification filing (i.e., the FTC elects to further investigate the transaction before granting antitrust approval).

RIDOH 0967

[The Remainder of this Exhibit is Confidential]

Explanatory Note to Exhibit 15:

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

TABLE OF CONTENTS

		Page
ARTICLE 1	CHARITABLE OBJECTIVES	2
1.1	Deliberative Process	2
1.2	Charitable Objectives	2
ARTICLE 2	AFFILIATION IMPLEMENTATION	3
ARTICLE 3	AMENDMENT OF ORGANIZATIONAL DOCUMENTS	3
3.1	MHRI Parent	3
3.2	MHRI	4
3.3	Amendment of CNE Bylaws	5
ARTICLE 4	MHRI NOMINEES TO CNE SYSTEM COMMITTEES	5
4.1	CNE Board	5
4.2	CNE System Committees	5
ARTICLE 5	FINANCIAL PROVISIONS	6
5.1	No Cash Consideration/Merger	6
5.2	Capital Planning	6
5.3	Indebtedness	6
ARTICLE 6	OPERATION OF MHRI	6
6.1	Clinical Services	6
6.2	Charitable Assets	7
6.3	Charity Care	7
6.4	Branding	7
6.5	Separate Employers	7
6.6	Management	8
6.7	Community Involvement	8
6.8	Directors and Officers Liability Insurance	8
ARTICLE 7	MEDICAL STAFF	8
ARTICLE 8	SYSTEM SERVICES	8
ARTICLE 9	CLOSING	8
9.1	Closing	8
9.2	Closing Deliverables of MHRI Parent and MHRI	9
9.3	Closing Deliverables of CNE	10
ARTICLE 10	REPRESENTATIONS AND WARRANTIES	10
10.1	Representations and Warranties of MHRI Parent and MHRI	10

RIDOH 0971

TABLE OF CONTENTS
(continued)

Page

10.2 Representations and Warranties of CNE 21
10.3 Knowledge 24

ARTICLE 11 PRE-CLOSING COVENANTS 24

11.1 Pre-Closing Covenants of MHRI Parent and MHRI 24
11.2 Pre-Closing Covenants of CNE 28

ARTICLE 12 ESTABLISHMENT OF MHRI FOUNDATION 29

ARTICLE 13 CONDITIONS PRECEDENT 30

13.1 Conditions Precedent to the Obligations of CNE 30
13.2 Conditions Precedent to the Obligations of Memorial 31

ARTICLE 14 TERMINATION 32

14.1 Termination 32
14.2 Approval by Board of Trustees 33

ARTICLE 15 GENERAL PROVISIONS 33

15.1 No Assumption or Assignment 33
15.2 Amendment 33
15.3 Notices 33
15.4 Expenses 34
15.5 Counterparts 34
15.6 Entire Transaction 34
15.7 Applicable Law 34
15.8 Headings 34
15.9 Articles and Sections 34
15.10 Gender 34
15.11 Further Assurances 34
15.12 Waiver of Terms 35
15.13 Partial Invalidity 35
15.14 Exhibits and Schedules 35
15.15 Non-Assignment 35
15.16 No Third-Party Beneficiaries 35
15.17 Public Statement 35
15.18 Transaction Instruments 35

SCHEDULES

Schedule 6.2	Board Designated Funds
Schedule 9.2(f)	Bond Consents
Schedule 10.1(b)	Required Consents
Schedule 10.1(c)	Material Changes to Accounting Practices
Schedule 10.1(d)	Interim Changes
Schedule 10.1(e)	Legal Proceedings
Schedule 10.1(f)	Licenses and Permits
Schedule 10.1(g)	Compliance with Law
Schedule 10.1(h)	Property and Assets
Schedule 10.1(i)	Affiliates and Subsidiaries
Schedule 10.1(l)	Insurance
Schedule 10.1(m)	Medicare, Medicaid and other Reimbursement
Schedule 10.1(n)	Medical Staff
Schedule 10.1(o)	Employee Benefit Plans
Schedule 10.1(p)	Defined Benefit Pension Plans
Schedule 10.1(q)	Partnership, Joint Venture, Limited Liability Company or Cost Sharing Agreements
Schedule 10.1(u)	Compliance Program
Schedule 10.1(v)	Tax-exempt Bond Indebtedness
Schedule 10.2(c)	CNE Material Changes to Accounting Practices
Schedule 10.2(d)	CNE Interim Changes
Schedule 10.2(e)	CNE Legal Proceedings
Schedule 10.2(f)	CNE Licenses and Permits
Schedule 10.2(i)	CNE Medicare, Medicaid and other Reimbursement
Schedule 10.2(j)	CNE Tax-exempt Bond Indebtedness

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;

RIDOH 0975

(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.

RIDOH 0976

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

RIDOH 0977

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

RIDOH 0978

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).

RIDOH 0979

(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

RIDOH 0980

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

RIDOH 0981

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

RIDOH 0982

(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

RIDOH 0983

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 in 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

RIDOH 0984

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.

RIDOH 0986

(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.

RIDOH 0987

(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

RIDOH 0988

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.

RIDOH 0989

(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 1 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.

RIDOH 0990

(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, MIIRI, 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 MIIRI, 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 MIIRI 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 MIIRI, 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 MIIRI, 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 MIIRI Parent, a MIIRI 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 of in part:

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

(ii) Each guarantee;

RIDOH 0991

(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

RIDOH 0992

(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

RIDOH 0993

(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 10.1(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

RIDOH 0994

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

RIDOH 0996

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

RIDOH 0997

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

RIDOH 0998

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 reasonably 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

RIDOH 0999

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.

RIDOH 1000

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

RIDOH 1001

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

RIDOH 1002

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.

RIDOH 1003

(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 is 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

RIDOH 1004

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 MIIRI 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

RIDOH 1005

(c) 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

RIDOH 1006

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

RIDOH 1007

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

RIDOH 1008

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: _____

RIDOH 1009

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: _____

Name: A.J. DeRiois III

Title: Interim President & CEO

THE MEMORIAL HOSPITAL

By: _____

Name: A.J. DeRiois III

Title: Interim President & CEO

[Signature Page to Affiliation Agreement]

Schedule 6.2

Board Designated Funds

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

	MHRI		SHS Parent
Board Designated Funds	$5,641,495		
Board Designated Funds- Debt Reduction	$1,824,166		
Total Board Designated Funds	$7,465,661	$296,155	$7,761,816
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	$2,776,341	$296,155	$3,072,496
Unobligated Board Designated Funds	$4,689,320	$0	$4,689,320

12/21/2012

Schedule 9.2(f)

Bond Consents

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

RIDOH 1012

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.

RIDOH 1013

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.

RIDOH 1014

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.

RIDOH 1015

Schedule 10.1(e)

Legal Proceedings

REDACTED

RIDOH 1016

Schedule 10.1(f)

Licenses and Permits

Accreditation/Certification	Certifying Group	Expiration Date	MHRI Department or Other Entity
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

RIDOH 1017

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

RIDOH 1018

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.

RIDOH 1019

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 MHR1).

UCC Financing Statement Number	Date	Secured Party	Collateral
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.

RIDOH 1022

Schedule 10.1(i)

Affiliates and Subsidiaries

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

MIIRI 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).

RIDOH 1023

Schedule 10.1(l)

Insurance

See attached list.

RIDOH 1024

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

1730296_5/158-94

RIDOH 1025

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 Earthqake & 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:$3,000,000EPL Limit: $3,000,000Policy Aggregate: $6,000,000 EPL: $75,000Retentions: 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

RIDOH 1026

Workers Compensation - MA Employees	SHS Ventures	The Hartford	08-WEC CI9966	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 3rd 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

RIDOH 1027

Schedule 10.1(m)

Medicare, Medicaid and other Reimbursement

(i) through (vii): No exceptions.

RIDOH 1028

Schedule 10.1(n)

Medical Staff

i. Pending or threatened disputes with or investigations of members of, or applicants of, the medical staff of MIIRI 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.

RIDOH 1029

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.

RIDOH 1030

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.

RIDOH 1031

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.

RIDOH 1032

Schedule 10.1(u)

Compliance Program

No exceptions.

RIDOH 1033

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.

RIDOH 1034

Schedule 10.2(c)
CNE Material Changes to Accounting Practices

No exceptions.

RIDOH 1035

Schedule 10.2(d)
CNE Interim Changes

No exceptions.

RIDOH 1036

Schedule 10.2(e)
CNE Legal Proceedings

No exceptions.

RIDOH 1037

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.

RIDOH 1038

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.

RIDOH 1040

Schedule 10.2(j)
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.

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.
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.

Date	Description of Pending or Adjudicated Citations, Violations or Charges	Status
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.
5.2011	MHRI: MHRI settled a claim with the U.S. Department of Labor by paying a $750 penalty with respect to seven employees who were not paid overtime correctly.	Resolved with fine.

Date	Description of Investigations	Status
9.21.2012	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/documentation requested in a letter to the OCR dated February 28, 2013.	Kent Hospital provided information/documentation requested by OCR in a letter to the OCR dated February 28, 2013.
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.

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.

Date	Description of Investigations	Status
10.20.2011	MHRI: OSHA notified MHRI of a complaint involving employees experiencing violence in the workplace from verbal abuse. MHRI investigated the issue and required a supervisor to attend training.	MHRI states that it received no further documentation from OSHA and believes the matter is closed.
5.2011	MHRI: MHRI settled a claim with the U.S. Department of Labor by paying a $750 penalty with respect to seven employees who were not paid overtime correctly.	Resolved with fine.

CNE's Mission: Care New England is dedicated to building an exemplary health care system.

MHRI's Mission: Our MISSION is primary care and preventative medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving our mission is the medical expertise provided by our competent and caring professional staff. We strive to achieve the timely and efficient delivery of care in a compassionate atmosphere.

CNE's Values: At Care New England Health System, we put our patients and their families at the center of all we do. In our day-to-day interactions with patients, families, and each other, our actions and decisions are guided by the following core values:

Compassion: We treat everyone with understanding and caring.

New Ideas: We encourage lifelong learning, continual improvement, and innovation.

Excellence: We demonstrate unparalleled quality in all we do.

Collaboration: We work in partnership with those around us, including our patients and their families.

Accountability: We hold ourselves accountable for the impact of our decisions.

Respect: We treat each person with dignity, respecting the diverse needs of those we serve.

Ethics: we hold ourselves to the highest ethical standards.

MHRI's Values: Our organizational values emphasize individual contributions and a team approach that foster: Respect, Integrity, Collaboration, Innovation, Excellence.

CNE's Vision: Care New England will be recognized nationally for quality are, academic excellence, and innovation.

MHRI's Vision: OUR VISION to excel as a primary health care network and community teaching hospital requires us to:

- Continuously improve the quality, maximize the value, and expand access to patient services
- Build a learning organization by creating an environment and structures to foster role development

Support research efforts and translate research findings into standards that measure and improve patient care for high volume and/or underserved, vulnerable populations within our community.

23(b)

CARE NEW ENGLAND

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

POLICY

SUBJECT	PREPARED BY	EFFECTIVE DATE	POLICY NUMBER
CHARITY CARE	Bonnie Baker, Vice President for Finance Butler Hospital	10/1/07	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 other wise 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, RItecare, 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.

EXHIBIT 24 Table of Contents

Tab	Description	Bates Number
24-A	CNE IRS Form 990 H Forms	
	CNE IRS Form 990 H Forms Index	RIDOH 1053
24-B	MHRI IRS Form 990 H Forms	
	MHRI IRS Form 990 H Forms Index	RIDOH 2373

CNE IRS Form 990 H Forms Index

CNE Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 1055
CNE Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 1143
CNE Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 1198
Butler Hospital Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 1255
Butler Hospital Form 990-T for the year 10/01/2010 – 9/30/2011	RIDOH 1386
Butler Hospital Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 1408
Butler Hospital Form 990-T for the year 10/01/2009 – 9/30/2010	RIDOH 1513
Butler Hospital Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 1535
Butler Hospital Form 990-T for the year 10/01/2008 – 9/30/2009	RIDOH 1607
Kent County Memorial Hospital Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 1625
Kent County Memorial Hospital Form 990-T for the year 10/01/2010 – 9/30/2011	RIDOH 1772
Kent County Memorial Hospital Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 1791
Kent County Memorial Hospital Form 990-T for the year 10/01/2009 – 9/30/2010	RIDOH 1880
Kent County Memorial Hospital Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 1916
Kent County Memorial Hospital Form 990-T for the year 10/01/2008 – 9/30/2009	RIDOH 1987
Women & Infants Hospital of Rhode Island Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 2026

CNE IRS Form 990 H Forms Index

Women & Infants Hospital of Rhode Island Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 2199
Women & Infants Hospital of Rhode Island Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 2291

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01, **2010, and ending** 09/30, **20** 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
CARE NEW ENGLAND HEALTH SYSTEM

Doing Business As

Number and street (or P O box if mail is not delivered to street address) | Room/suite
45 WILLARD AVENUE

City or town, state or country, and ZIP + 4
PROVIDENCE, RI 02905

D Employer identification number
05-0490997

E Telephone number
(401) 681-1150 EXT 1124

G Gross receipts $ 57,909,680.

F Name and address of principal officer: JOHN M. SUTHERLAND, III
45 WILLARD AVENUE - 3RD FLOOR PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.CARENEWENGLAND.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 1996 **M** State of legal domicile: RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
THE ORGANIZATION IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES THEY SERVE.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	27.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19.
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	204.
6	Total number of volunteers (estimate if necessary)	6	0.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0.	100,000.
9	Program service revenue (Part VIII, line 2g)	39,805,640.	57,477,520.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,176,729.	248,510.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	17,762.	0.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	41,000,131.	57,826,030.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	24,134,223.	38,377,253.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	15,628,455.	19,477,195.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	39,762,678.	57,854,448.
19	Revenue less expenses. Subtract line 18 from line 12	1,237,453.	-28,418.

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	95,033,482.	129,158,133.
21	Total liabilities (Part X, line 26)	105,634,998.	143,684,173.
22	Net assets or fund balances. Subtract line 21 from line 20	-10,601,516.	-14,526,040.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
				P00642486

Firm's name ▶ WITHUMSMITH+BROWN, PC — Firm's EIN ▶ 22-2027092

Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497 — Phone no. 973-898-9494

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

JSA
0E1010 1 000
7411CY U600

DRAFT

RIDOH 1055

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 52,312,073. including grants of $ 0.) (Revenue $ 57,229,516.)
CARE NEW ENGLAND HEALTH SYSTEM IS THE HOLDING COMPANY OF A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM WHICH CONSISTS OF BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL, WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND, WOMEN AND INFANTS CORPORATION, KENT COUNTY VISITING NURSE ASSOCIATION D/B/A VNA OF CARE NEW ENGLAND, AND THEIR SUBSIDIARIES AND AFFILIATES. CARE NEW ENGLAND HEALTH SYSTEM PROVIDES MANAGEMENT SERVICES WHICH INCLUDES STRATEGIC PLANNING, INVESTMENT MANAGMENT, CAPITAL FINANCING FOR THE GROUP, LEGAL, PURCHASING, INFORMATION TECHNOLOGY, REVENUE CYCLE, SFP, ACCOUNTING AND COMPLIANCE/INTERNAL AUDIT. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code: _____) (Expenses $ 398,711. including grants of $ 0.) (Revenue $ 248,004.)
CARE NEW ENGLAND WELLNESS CENTER: PROGRAMS AND CLINICAL SERVICES ARE BASED ON A MODEL OF MEDICAL INTEGRATION WITH A TEAM APPROACH, INCORPORATING NUTRICIAN COUNSELING, FITNESS, HEALTH EDUCATION AND STRESS MANAGEMENT. AS A COMPLIMENT TO CONVENTIONAL MEDICAL TREATMENT, INTEGRATIVE THERAPIES ARE OFFERED. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services. (Describe in Schedule O.)
(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e Total program service expenses ▶ 52,710,784.

DRAFT

RIDOH 1056

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	X	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		X
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

DRAFT

RIDOH 1057

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* [X] Yes [ ] No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

DRAFT

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V. ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 341		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 204		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		X
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state? **Note.** See the instructions for additional information the organization must report on Schedule O.	13a		
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b		
c	Enter the amount of reserves on hand	13c		
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

DRAFT

RIDOH 1059

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 27		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3		X
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.	12a	X	
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ CARLEEN P. SMITH 300 RICHMOND STREET PROVIDENCE, RI 02903 (401)274-1122

DRAFT

RIDOH 1060

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 2										
(1) ROBERT E DEBLOIS CHAIRMAN - DIRECTOR	5.00	X		X				0.	0.	0.
(2) EDWARD J COONEY VICE CHAIRMAN - DIRECTOR	1.00	X		X				0.	0.	0.
(3) CHARLES R REPPUCCI ESQ TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(4) JOANNA CAIN MD DIRECTOR (TERM 12/27/10)	0.00	X						0.	633,789.	12,618.
(5) THOMAS J CELONA DIRECTOR	1.00	X						0.	0.	0.
(6) EARL D CHAMBERS DIRECTOR	1.00	X						0.	0.	0.
(7) ALLEN H CICCHITELLI DIRECTOR	1.00	X						0.	0.	0.
(8) SANDRA L COLETTA DIRECTOR - PRES AND CEO/KCMH	1.00	X		X				0.	705,010.	86,884.
(9) ANDREW M ERICKSON DIRECTOR	1.00	X						0.	0.	0.
(10) JONATHAN K FARNUM DIRECTOR	1.00	X						0.	0.	0.
(11) MARGARET D FARRELL ESQ DIRECTOR	1.00	X						0.	0.	0.
(12) PHYLLIS C FIELD DIRECTOR	1.00	X						0.	0.	0.
(13) MICHAEL A FIORI MD DIRECTOR	1.00	X						0.	0.	0.
(14) ROBERT G FLANDERS JR ESQ DIRECTOR	1.00	X						0.	0.	0.
(15) KENT W GLADDING DIRECTOR	1.00	X						0.	0.	0.
(16) DUANE T GOLOMB MD DIRECTOR	1.00	X						0.	7,500.	0.

DRAFT

RIDOH 1061

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) BENJAMIN P HARRIS III ESQ DIRECTOR	1.00	X						0.	0.	0.
(18) DEAN T HOLT DIRECTOR	1.00	X						0.	0.	0.
(19) CONSTANCE A HOWES JD FACHE DIRECTOR - PRES/CEO/WIH	1.00	X		X				0.	809,459.	123,342.
(20) JOHN H HOWLAND DIRECTOR	1.00	X						0.	0.	0.
(21) JOHN J HYNES ESQ (10/1-7/31) DIRECTOR - PRES/CEO/CNE	55.00	X		X				0.	1,342,974.	307,010.
(22) DENNIS KEEFE (8/1-9/30) DIRECTOR - PRES/CEO/CNE	55.00	X		X				0.	0.	0.
(23) DOUGLAS L JACOBS DIRECTOR	1.00	X						0.	0.	0.
(24) KATHERINE F MCKENZIE DIRECTOR	1.00	X						0.	0.	0.
(25) MAUREEN G PHIPPS MD MPH DIRECTOR	1.00	X						0.	306,185.	19,160.
(26) STEVEN A RASMUSSEN MD DIRECTOR	1.00	X						0.	544,232.	71,163.
(27) PATRICIA R RECUPERO JD MD DIRECTOR - PRES/CEO/BH	1.00	X		X				0.	688,067.	305,680.
(28) GEORGE W SHUSTER DIRECTOR	1.00	X						0.	2,000.	0.
1b Sub-total ▶								0.	5,039,216.	925,857.
c Total from continuation sheets to Part VII, Section A ATTACHMENT 1 ▶								1,344,691.	3,009,132.	941,935.
d Total (add lines 1b and 1c) ▶								1,344,691.	8,048,348.	1,867,792.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 28

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 12

DRAFT

RIDOH 1062

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	100,000.			
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a-1f		100,000.			
Program Service Revenue		**Business Code**				
	2a NET PATIENT SERVICE REVENUE	541900	248,004.	248,004.		
	b MANAGEMENT REVENUE	561000	57,211,105.	57,211,105.		
	c OTHER HEALTHCARE RELATED REVENUE	900099	18,411.	18,411.		
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		57,477,520.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ATTACHMENT 4		84,346.			84,346.
	4 Income from investment of tax-exempt bond proceeds		0.			
	5 Royalties		0.			
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		0.			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	240,589.	7,225.			
	b Less: cost or other basis and sales expenses		83,650.			
	c Gain or (loss)	240,589.	-76,425.			
	d Net gain or (loss)		164,164.			164,164.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events		0.			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less direct expenses b					
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances a					
	b Less cost of goods sold b					
	c Net income or (loss) from sales of inventory		0.			
	Miscellaneous Revenue	**Business Code**				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		0.			
	12 **Total revenue.** See instructions		57,826,030.	57,477,520.	0.	248,510.

DRAFT

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0.			
2 Grants and other assistance to individuals in the U S See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	29,239,356.	29,239,356.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,607,601.	1,607,601.		
9 Other employee benefits	5,722,091.	5,722,091.		
10 Payroll taxes	1,808,205.	1,808,205.		
11 Fees for services (non-employees):				
a Management	0.			
b Legal	942,835.		942,835.	
c Accounting	267,000.		267,000.	
d Lobbying	234,300.		234,300.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	893,678.	893,678.		
12 Advertising and promotion	377,206.		377,206.	
13 Office expenses	4,040,346.	727,263.	3,313,083.	
14 Information technology	7,958,031.	7,958,031.		
15 Royalties	0.			
16 Occupancy	1,372,773.	1,372,773.		
17 Travel	120,978.	120,978.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	9,240.		9,240.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	399,972.	399,972.		
23 Insurance	76,674.	76,674.		
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a CONTRACTED SERVICES	1,181,944.	1,181,944.		
b BOND FEES	420,725.	420,725.		
c UTILITIES	299,295.	299,295.		
d EDUCATION & TRAINING	77,478.	77,478.		
e MERGER COSTS	53,990.	53,990.		
f All other expenses	750,730.	750,730.		
25 Total functional expenses. Add lines 1 through 24f	57,854,448.	52,710,784.	5,143,664.	
26 Joint Costs. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

DRAFT

RIDOH 1064

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	0.	1	887.
	2	Savings and temporary cash investments	5,001,310.	2	-13,911,655.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	209,647.	4	116,676.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net ATCH 5	75,456,682.	7	107,216,468.
	8	Inventories for sale or use		8	
	9	Prepaid expenses and deferred charges	1,736,972.	9	1,577,974.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 7,496,267.			
	b	Less: accumulated depreciation — 10b: 4,810,290.	2,798,420.	10c	2,685,977.
	11	Investments - publicly traded securities ATCH 6	7,547,163.	11	4,043,124.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11	2,006,651.	13	27,132,204.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	276,637.	15	296,478.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	95,033,482.	16	129,158,133.
Liabilities	17	Accounts payable and accrued expenses	7,895,147.	17	11,754,804.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	74,500,000.	20	99,333,682.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	23,239,851.	25	32,595,687.
	26	**Total liabilities.** Add lines 17 through 25	105,634,998.	26	143,684,173.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	-10,601,516.	27	-14,526,040.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	-10,601,516.	33	-14,526,040.
	34	Total liabilities and net assets/fund balances	95,033,482.	34	129,158,133.

DRAFT

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	57,826,030.
2	Total expenses (must equal Part IX, column (A), line 25)	2	57,854,448.
3	Revenue less expenses. Subtract line 2 from line 1	3	-28,418.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	-10,601,516.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-3,896,106.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	-14,526,040.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII X

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

DRAFT

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☒ Type III - Functionally integrated **d** ☐ Type III - Other

e ☒ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☒

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	X
(ii)	A family member of a person described in (i) above?	11g(ii)	X
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	X

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A) ATTACHMENT 1									
(B)									
(C)									
(D)									
(E)									
Total									0.

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

JSA
0E1210 3 000
7411CY U600

DRAFT

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

DRAFT

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

DRAFT

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
WOMEN & INFANTS CORPORATION	05-0258937	03	X	X	X	0.
BUTLER HOSPITAL	05-0258812	03	X	X	X	0.
KENT COUNTY MEMORIAL HOSPITAL	05-0258896	03	X	X	X	0.
KENT COUNTY VISITING NURSE ASSOCIATION	05-0242659	03	X	X	X	0.
TOTAL AMOUNT OF SUPPORT						0.

DRAFT

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2010

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

DRAFT

Name of organization CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number 05-0490997

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	COX COMMUNICATIONS INC 1400 LAKE HEARN DRIVE ATLANTA, GA 30319	$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1072

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)). Complete Part II-A Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

DRAFT

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ [X] if the filing organization belongs to an affiliated group.
B Check ▶ [ ] if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)	234,300.	308,136.
c Total lobbying expenditures (add lines 1a and 1b)	234,300.	308,136.
d Other exempt purpose expenditures	57,620,148.	872,485,662.
e Total exempt purpose expenditures (add lines 1c and 1d)	57,854,448.	872,793,798.
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000.	1,000,000.
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000.	250,000.
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? [ ] Yes [X] No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% of line 2a, column (e))					6,000,000.
c Total lobbying expenditures	130,304.	160,304.	211,970.	234,300.	736,878.
d Grassroots nontaxable amount	130,304.	160,304.	211,970.	234,300.	736,878.
e Grassroots ceiling amount (150% of line 2d, column (e))					1,105,317.
f Grassroots lobbying expenditures	250,000.	250,000.	250,000.	250,000.	1,000,000.

DRAFT

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total. Add lines 1c through 1i			
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

DRAFT

Part IV **Supplemental Information** *(continued)*

DRAFT

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

DRAFT

RIDOH 1077

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance					
b	Contributions					
c	Net investment earnings, gains, and losses					
d	Grants or scholarships					
e	Other expenditures for facilities and programs					
f	Administrative expenses					
g	End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	3a(i)	
(ii)	related organizations	3a(ii)	
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land				
b	Buildings				
c	Leasehold improvements		516,454.	442,644.	73,810.
d	Equipment		2,298,758.	1,908,464.	390,294.
e	Other		4,681,055.	2,459,182.	2,221,873.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶					2,685,977.

DRAFT

RIDOH 1078

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) JP MORGAN SHORT TERM BOND	25,384,764.	FMV
(2) WORKERS COMP TRUST FUND	1,402,208.	FMV
(3) BANK OF NEW YORK 2008	10,021.	FMV
(4) OTHER ASSETS - LT	280,211.	FMV
(5) INVESTMENT IN JOINT VENTURE	55,000.	FMV
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶	27,132,204.	

Part IX Other Assets. See Form 990, Part X, line 15.

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶		

Part X Other Liabilities. See Form 990, Part X, line 25.

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	
(2)	DUE TO AFFILIATES	3,755,579.
(3)	SELF INSURANCE RESERVE	11,935,955.
(4)	POST RETIREMENT LIABILITY	3,835,775.
(5)	SWAP LIABILITY	11,356,534.
(6)	CURRENT PENSION LIABILITY	1,412,335.
(7)	OTHER LIABILITIES	299,509.
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		32,595,687.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

DRAFT

RIDOH 1079

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

DRAFT

Part XIV Supplemental Information *(continued)*

TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE

SCHEDULE D, PART X

THE ORGANIZATION IS THE PARENT ENTITY OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CERTAIN CONSOLIDATING SCHEDULES.

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE ORGANIZATION COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2011 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

DRAFT

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

DRAFT

Part II **Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOANNA CAIN MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	524,042.	90,000.	19,747.	0.	12,618.	646,407.	0.
2 SANDRA L COLETTA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	458,219.	156,000.	90,791.	78,646.	8,238.	791,894.	0.
3 CONSTANCE A HOWES JD FA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	515,582.	177,000.	116,877.	111,963.	11,379.	932,801.	60,640.
4 JOHN J HYNES ESQ (10/1-	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	796,217.	280,000.	266,757.	246,827.	60,183.	1,649,984.	194,391.
5 MAUREEN G PHIPPS MD MPH	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	259,588.	28,893.	17,704.	0.	19,160.	325,345.	0.
6 STEVEN A RASMUSSEN MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	373,285.	105,891.	65,056.	54,462.	16,701.	615,395.	62,371.
7 PATRICIA R RECUPERO JD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	408,778.	147,000.	132,289.	268,747.	36,933.	993,747.	100,416.
8 JOHN M SUTHERLAND III	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	410,595.	121,000.	74,107.	96,085.	22,206.	723,993.	44,821.
9 THOMAS R COURAGE ESQ	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	308,808.	93,000.	102,819.	92,150.	18,103.	614,880.	65,512.
10 ALYSSA BOSS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	206,296.	63,000.	5,727.	33,027.	10,849.	318,899.	0.
11 DOMENIC DELMONICO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	247,636.	77,000.	121,408.	62,313.	17,661.	526,018.	31,633.
12 MARILYN WALSH	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	257,812.	79,000.	87,903.	108,752.	15,256.	548,723.	55,238.
13 GAIL COSTA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	239,642.	73,000.	84,072.	96,661.	14,285.	507,660.	51,807.
14 MAYBELLE KERNAN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	212,697.	67,000.	71,310.	44,286.	8,599.	403,892.	48,277.
15 CEDRIC PRIEBE III MD	(i)	301,060.	87,000.	4,550.	32,921.	20,306.	445,837.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 CARLEEN P SMITH	(i)	130,250.	59,500.	178,639.	76,456.	21,315.	466,160.	137,601.
	(ii)	0.	0.	0.	0.	0.	0.	0.

DRAFT

RIDOH 1083

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 THOMAS GARDNER	(i)	145,524.	45,000.	54,090.	70,414.	12,538.	327,566.	31,954.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 PATRICIA DEVANEY	(i)	156,787.	43,654.	724.	26,373.	11,561.	239,099.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 RALPH HANSELMAN	(i)	124,603.	0.	13,310.	11,198.	18,620.	167,731.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DRAFT

RIDOH 1084

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

PART VII AND SCHEDULE J

TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2010 FORMS W-2 AND 1099 (IF APPLICABLE).

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: CONSTANCE A. HOWES, J.D., FACHE, $60,640; JOHN J. HYNES, ESQ., $194,391; STEVEN A. RASMUSSEN, M.D., $62,371; PATRICIA R. RECUPERO, J.D., M.D., $100,416; JOHN M. SUTHERLAND, III, $44,821; THOMAS R. COURAGE, ESQ., $65,512; DOMENIC DELMONICO, $31,633; MARILYN WALSH, $55,238; GAIL COSTA, $51,807; MAYBELLE KERNAN, $48,277; CARLEEN P. SMITH, $137,601 AND THOMAS GARDNER, $31,954.

DRAFT

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, AS TAXABLE WAGES: SANDRA L. COLETTA, $62,280; CONSTANCE A. HOWES, J.D., FACHE, $79,792; JOHN J. HYNES, ESQ., $178,852; STEVEN A. RASMUSSEN, M.D., $54,462; PATRICIA R. RECUPERO, J.D., M.D., $92,982; JOHN M. SUTHERLAND, III, $55,852; THOMAS R. COURAGE, ESQ., $60,695; ALYSSA BOSS, $33,027; DOMENIC DELMONICO, $38,317; MARILYN WALSH, $51,193; GAIL COSTA, $47,960; MAYBELLE KERNAN, $44,286; CEDRIC PRIEBE, III, M.D., $14,297; CARLEEN P. SMITH, $38,794; THOMAS GARDNER, $29,610 AND PATRICIA DEVANEY, $7,590.

DRAFT

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUAL INCLUDES UNVESTED BENEFITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN ("SERP") WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE.

RIDOH 1086

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

ACCORDINGLY, THE INDIVIDUAL MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNT OUTLINED HEREIN WAS NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: PATRICIA R. RECUPERO, J.D., M.D., $138,254.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 6A & 6B

THE EXECUTIVE COMPENSATION PACKAGE FOR VARIOUS INDIVIDUALS REPORTED ON THIS FORM 990 CONSISTS OF BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE AT-RISK COMPENSATION IS COMPRISED OF BOTH SHORT-TERM AND LONG-TERM FACTORS AS FOLLOWS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL AND PATIENT SATISFACTION.

DRAFT

RIDOH 1087

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION AND STRATEGIC OBJECTIVE.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 7

CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J PART II RECEIVED A BONUS DURING CALENDAR YEAR 2010 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

DRAFT

RIDOH 1088

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

SCHEDULE J, PART II; COLUMN F

THE AMOUNT REPORTED IN SCHEDULE J, PART II, COLUMN F FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN BECAUSE THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THIS AMOUNT WAS TREATED AS TAXABLE INCOME AND REPORTED ON EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: CONSTANCE A. HOWES, J.D., FACHE, $60,640; JOHN J. HYNES, ESQ., $194,391; STEVEN A. RASMUSSEN, M.D., $62,371; PATRICIA R. RECUPERO, J.D., M.D., $100,416; JOHN M. SUTHERLAND, III, $44,821; THOMAS R. COURAGE, ESQ., $65,512; DOMENIC DELMONICO, $31,633; MARILYN WALSH, $55,238; GAIL COSTA, $51,807; MAYBELLE KERNAN, $48,277; CARLEEN P. SMITH, $137,601 AND THOMAS GARDNER, $31,954. THESE AMOUNTS WERE REPORTED ON PRIOR YEAR FORMS 990 AS AT-RISK NON-TAXABLE DEFERRED COMPENSATION IN SCHEDULE J, PART II, COLUMN C.

DRAFT

RIDOH 1089

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer		(i) Pooled Financing	
							Yes	No	Yes	No	Yes	No
A	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	52-1300173	7622430B3	02/01/2008	46,730,000.	REFUND CNE 2002 SERIES A BONDS		X		X		X
B	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	52-1300173	7622430B4	02/01/2008	38,210,000.	CONSTRUCTION, EQUIP, FURNISHING		X		X		X
C	RI HEALTH AND EDUCATIONAL BUILDING CORPORATON	52-1300173	N/A	12/31/2010	12,000,000.	RENOVATION, EQUIP, CONSTRUCTION		X		X		X
D	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	52-1300173	NONE	08/12/2011	16,000,000.	CONSTRUCTION, EQUIP, REFINANCING		X		X		X

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired	0.	0.	0.	0.
2	Amount of bonds legally defeased	0.	0.	0.	0.
3	Total proceeds of issue	46,958,454.	38,210,000.	12,000,000.	16,000,000.
4	Gross proceeds in reserve funds	0.	0.	0.	0.
5	Capitalized interest from proceeds	0.	0.	0.	0.
6	Proceeds in refunding escrows	46,610,000.	6,780,419.	11,894,000.	15,920,000.
7	Issuance costs from proceeds	90,915.	198,920.	106,000.	80,000.
8	Credit enhancement from proceeds	0.	0.	0.	0.
9	Working capital expenditures from proceeds	29,085.	24,782.	0.	0.
10	Capital expenditures from proceeds	0.	31,205,879.	0.	0.
11	Other spent proceeds	0.	0.	0.	0.
12	Other unspent proceeds	0.	0.	0.	0.
13	Year of substantial completion	2008	2009		

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
14	Were the bonds issued as part of a current refunding issue?	X			X		X		X
15	Were the bonds issued as part of an advance refunding issue?		X	X			X		X
16	Has the final allocation of proceeds been made?		X	X			X		X
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X		X		X	

Part III Private Business Use

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X		X		X
2	Are there any lease arrangements that may result in private business use of bond-financed property		X		X		X		X

DRAFT

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?		X		X		X		X
b Are there any research agreements that may result in private business use of bond-financed property?		X		X		X		X
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X		X		X
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.0000 %		0.0000 %		0.0000 %		0.0000 %	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.0000 %		0.0000 %		0.0000 %		0.0000 %	
6 Total of lines 4 and 5	0.0000 %		0.0000 %		0.0000 %		0.0000 %	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X			X		X

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X		X		X
2 Is the bond issue a variable rate issue?	X		X			X		X
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?	X		X			X		X
b Name of provider	BOA & DEUTSCHE BANK		MORGAN STANLEY					
c Term of hedge	24.400		29.500					
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?		X		X		X		X
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?		X		X		X		X
6 Did the bond issue qualify for an exception to rebate?		X		X		X		X

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

TAX-EXEMPT BOND ISSUES
SCHEDULE K

CARE NEW ENGLAND HEALTH SYSTEM HAS ISSUED TAX-EXEMPT BONDS ON BEHALF OF ITSELF AND THE OBLIGATED GROUP. THE OBLIGATED GROUP INCLUDES BUTLER

RIDOH 1091

Part III Private Business Use *(Continued)*

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b Are there any research agreements that may result in private business use of bond-financed property?								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL, WOMEN & INFANTS CORPORATION AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND.

RIDOH 1092

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b Are there any research agreements that may result in private business use of bond-financed property?								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

TAX-EXEMPT BOND ISSUES
SCHEDULE K PART IV; LINES 3B & 3C

COLUMN A COLUMN B

RIDOH 1093

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b Are there any research agreements that may result in private business use of bond-financed property?								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

LINE 3B-NAME OF PROVIDER (1) BANK OF AMERICA MORGAN STANLEY
(2) DEUTSCHE BANK

RIDOH 1094

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b Are there any research agreements that may result in private business use of bond-financed property?								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

LINE 3C-TERM OF HEDGE (1) 3.5 29.5

(IN YEARS) (2) 20.9

RIDOH 1095

Part III Private Business Use *(Continued)*

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts that may result in private business use of bond-financed property?								
b Are there any research agreements that may result in private business use of bond-financed property?								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?								

Part IV Arbitrage

	A		B		C		D	
	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?								
2 Is the bond issue a variable rate issue?								
3a Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?								
b Name of provider								
c Term of hedge								
d Was the hedge superintegrated?								
e Was the hedge terminated?								
4a Were gross proceeds invested in a GIC?								
b Name of provider								
c Term of GIC								
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5 Were any gross proceeds invested beyond an available temporary period?								
6 Did the bond issue qualify for an exception to rebate?								

DRAFT

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

24.4 29.5

RIDOH 1096

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open To Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total . . . . . ▶ $										

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

DRAFT

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	HINCKLEY, ALLEN & SNYDER, L.L.P.	PLEASE REFER TO PART V	263,002.	PROFESSIONAL SERVICES		X
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

SCHEDULE L, PART IV

CHARLES R. REPPUCCI, ESQ., MARGARET D. FARRELL, ESQ. AND ROBERT G. FLANDERS, JR., ESQ.; DIRECTORS OF THIS ORGANIZATION ARE PARTNERS IN THE LAW FIRM OF HINCKLEY, ALLEN & SNYDER, L.L.P. THIS ORGANIZATION UTILIZED THE SERVICES OF THIS FIRM DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2011. TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED $263,002. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS.

DRAFT

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

DISCLOSURE INFORMATION

CORE FORM, PART I; LINES 9 AND 15

DURING THE ORGANIZATION'S FISCAL YEAR ENDED SEPTEMBER 30, 2011 THERE WAS A SIGNIFICANT CONSOLIDATION OF THE SYSTEM'S FINANCE DEPARTMENT. IN CONJUNCTION FINANCE PERSONNEL FROM BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND WERE TRANSFERRED TO THIS ORGANIZATION. AS A RESULT, CARE NEW ENGLAND HEALTH SYSTEM'S SALARIES EXPENSE, AS REFLECTED ON FORM 990, PART I, LINE 15, INCREASED SIGNIFICANTLY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011 WHEN COMPARED TO FISCAL YEAR ENDED SEPTEMBER 30, 2010. IN ADDITION, THE ORGANIZATION'S PROGRAM SERVICE REVENUE AS REFLECTED ON FORM 990, PART I, LINE 9, ALSO INCREASED SIGNIFICANTLY FROM THE FISCAL YEAR ENDED SEPTEMBER 30, 2011 WHEN COMPARED TO THE FISCAL YEAR ENDED SEPTEMBER 30, 2010 AS A RESULT OF THE FINANCE DEPARTMENT CONSOLIDATION.

DRAFT

COMMUNITY BENEFIT STATEMENT

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

CARE NEW ENGLAND HEALTH SYSTEM

==========

CARE NEW ENGLAND HEALTH SYSTEM ("CARE NEW ENGLAND") IS A NOT-FOR-PROFIT TAX-EXEMPT ORGANIZATION WITH ITS CENTRAL OFFICE IN PROVIDENCE, RHODE

RIDOH 1099

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ISLAND . CARE NEW ENGLAND, IS THE SOLE CORPORATE MEMBER OF VARIOUS HEALTHCARE-RELATED ORGANIZATIONS, THE MAJORITY OF WHICH ARE TAX-EXEMPT ENTITIES. THE INTERNAL REVENUE SERVICE HAS RECOGNIZED CARE NEW ENGLAND HEALTH SYSTEM AS BEING A TAX-EXEMPT ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") SECTION 501(C)(3).

AS THE PARENT ORGANIZATION OF A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM BASED IN PROVIDENCE, RHODE ISLAND, CARE NEW ENGLAND AND ITS AFFILIATES STRIVE TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF MEDICALLY NECESSARY HEALTHCARE SERVICES TO THE RESIDENTS OF THE SOUTHEASTERN NEW ENGLAND COMMUNITY. CARE NEW ENGLAND ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICE.

DRAFT

CARE NEW ENGLAND PROVIDES TREATMENT AND SERVICES TO APPROXIMATELY 211,596 INPATIENTS, OUTPATIENTS AND SAME DAY SURGERY PATIENTS, 97,245 EMERGENCY DEPARTMENT PATIENTS AND DELIVERS MORE THAN 9,559 BABIES ANNUALLY. CARE NEW ENGLAND ANNUALLY EMPLOYS 6,500 EMPLOYEES AND HAS OVER 500 VOLUNTEERS.

HISTORY

=======

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

CARE NEW ENGLAND HEALTH SYSTEM WAS FORMED IN FEBRUARY 1996 BY FOUNDING MEMBERS BUTLER HOSPITAL, KENT HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THESE THREE HOSPITALS ARE ALL INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS.

IN JUNE 1999, KENT COUNTY VISITING NURSE ASSOCIATION BECAME A MEMBER OF THE CARE NEW ENGLAND FAMILY, AND LATER THAT YEAR ANNOUNCED ITS NAME CHANGE TO VNA OF CARE NEW ENGLAND. IN 2000, HEALTHTOUCH, INC., A PRIVATE DUTY NURSING SERVICE, JOINED THE DIVISION. TODAY, VNA OF CARE NEW ENGLAND PROVIDES A BROAD SPECTRUM OF HOME HEALTH AND HOSPICE SERVICES.

DRAFT

CARE NEW ENGLAND'S STRENGTHS ARE BASED ON COMPLEMENTARY PROGRAMS AND DISTINCTIVE COMPETENCIES OF OUR PARTNER HOSPITALS AND AGENCIES. BUTLER HOSPITAL OFFERS EXPERTISE IN BEHAVIORAL HEALTH AND SUBSTANCE ABUSE. KENT PROVIDES A FULL CADRE OF PRIMARY AND SECONDARY ACUTE CARE SERVICES. WOMEN & INFANTS SPECIALIZES IN THE HEALTH NEEDS OF WOMEN AND NEWBORN CHILDREN. VNA OF CARE NEW ENGLAND PROVIDES A SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING SERVICES. AND, OUR CARE NEW ENGLAND WELLNESS CENTER OFFERS AN ARRAY OF REHABILITATION, WELLNESS, FITNESS AND EDUCATIONAL PROGRAMS. AS A RESULT, CARE NEW ENGLAND IS WELL POSITIONED TO TRANSITION INTO THE NEW ERA OF HEALTHCARE DELIVERY WITH A HIGH QUALITY CONTINUUM OF CARE.

CARE NEW ENGLAND IS DEDICATED TO THE ADVANCEMENT OF MEDICAL EDUCATION AND

RESEARCH. BUTLER HOSPITAL SERVES AS THE PRINCIPAL TEACHING AFFILIATE FOR PSYCHIATRY AND HUMAN BEHAVIOR FOR THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, WOMEN & INFANTS 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.

CARE NEW ENGLAND PROVIDES MEDICALLY NECESSARY HEALTHCARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THE ESTABLISHED RATES. BECAUSE CARE NEW ENGLAND DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE. CHARITY CARE INCLUDES SERVICES TO UNINSURED PATIENTS WHO CARE NEW ENGLAND HAS DETERMINED QUALIFY FOR CHARITY CARE UNDER CARE NEW ENGLAND POLICIES. SERVICES TO UNINSURED PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE OR WHO CARE NEW ENGLAND WAS NOT ABLE TO DETERMINE THEIR ELIGIBILITY ARE NOT REPORTED AS CHARITY CARE BUT REPORTED IN THE PROVISION FOR BAD DEBTS.

DRAFT

ADDITIONALLY, CARE NEW ENGLAND SPONSORS CERTAIN OTHER PROGRAMS WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY. SUCH PROGRAMS INCLUDE SERVICES TO NEEDY POPULATIONS INCLUDING COMMUNITY SERVICE PROGRAMS AND SERVICES FOR SCHOOL-AGED CHILDREN AND THE ELDERLY. CARE NEW ENGLAND ALSO ACTIVELY SPONSORS PROGRAMS ON HEALTH EDUCATION AND WELLNESS.

CARE NEW ENGLAND MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF

RIDOH 1102

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY AND COMMUNITY SERVICE POLICIES.

CARE NEW ENGLAND HOSPITALS AND MEDICAL CENTERS

==========

CARE NEW ENGLAND PROVIDES SUBSTANTIAL COMMUNITY BENEFIT. CARE NEW ENGLAND INCLUDES THE FOLLOWING INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITALS:

1. BUTLER HOSPITAL ("BUTLER")
2. KENT HOSPITAL ("KENT")
3. WOMEN & INFANTS HOSPITAL ("WOMEN & INFANTS")

DRAFT

PURSUANT TO ITS CHARITABLE PURPOSES, EACH CARE NEW ENGLAND HOSPITAL PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. NO PATIENTS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICE BY ANY CARE NEW ENGLAND INSTITUTION. IN ADDITION, EACH HOSPITAL OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1. PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE

RIDOH 1103

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

AND MEDICAID PATIENTS;

2. OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS; AND

4. CONTROL OF EACH HOSPITAL RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS OF CARE NEW ENGLAND. BOTH BOARDS ARE COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY.

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES, AND ADVANCE MEDICAL CARE PROGRAMS AND ACTIVITIES.

DRAFT

THE OPERATIONS OF EACH HOSPITAL, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THAT THE USE AND CONTROL OF EACH HOSPITAL IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

MISSION

=======

RIDOH 1104

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

VISION

=====

CARE NEW ENGLAND WILL BUILD A BETTER SYSTEM OF HEALTH CARE FOR OUR COMMUNITY. CARE NEW ENGLAND WILL:

- ATTAIN THE HIGHEST STANDARDS OF QUALITY
- PROVIDE ACCESS TO ESSENTIAL HEALTH SERVICES REGARDLESS OF ABILITY TO PAY
- DELIVER AN EXCEPTIONAL PATIENT EXPERIENCE
- ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH AND TEACHING
- ADVOCATE FOR THOSE WE SERVE
- ENHANCE WELLNESS AND PREVENTION
- OPERATE IN A COST EFFECTIVE AND FINANCIALLY VIABLE MANNER.

DRAFT

VALUES

======

CARE NEW ENGLAND PUTS THE PATIENTS AND THEIR FAMILIES AT THE CENTER OF ALL WE DO. IN OUR DAY-TO-DAY INTERACTIONS WITH PATIENTS AND EACH OTHER, OUR ACTIONS AND DECISIONS ARE GUIDED BY THE FOLLOWING CORE VALUES:

- COMPASSION: WE TREAT EVERYONE WITH UNDERSTANDING AND CARING.

- NEW IDEAS: WE ENCOURAGE LIFELONG LEARNING, CONTINUAL IMPROVEMENT, AND INNOVATION.

- EXCELLENCE: WE DEMONSTRATE UNPARALLELED QUALITY IN ALL WE DO.

- COLLABORATION: WE WORK IN PARTNERSHIP WITH THOSE AROUND US, INCLUDING OUR PATIENTS.

- ACCOUNTABILITY: WE HOLD OURSELVES ACCOUNTABLE FOR THE IMPACT OF OUR DECISIONS.

- RESPECT: WE TREAT EACH PERSON WITH DIGNITY, RESPECTING THE DIVERSE NEEDS OF THOSE WE SERVE.

- ETHICS: WE HOLD OURSELVES TO THE HIGHEST ETHICAL STANDARDS.

DRAFT

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

BUTLER HOSPITAL

==========

BUTLER IS A LICENSED 117-BED NOT-FOR-PROFIT PSYCHIATRIC TREATMENT,

RIDOH 1106

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

TEACHING AND RESEARCH HOSPITAL. BUTLER WAS FOUNDED IN 1844 AND SERVES RHODE ISLAND AND SOUTHEASTERN NEW ENGLAND. BUTLER:

- PROVIDES SPECIALIZED ASSESSMENTS AND INNOVATIVE TREATMENTS FOR ALL MAJOR PSYCHIATRIC ILLNESSES AND SUBSTANCE ABUSE.

- FOCUSES ON THE SPECIAL NEEDS OF SENIORS BY OFFERING A STATE-OF-THE-ART PSYCHIATRIC SENIOR TREATMENT CENTER SPECIALIZING IN ALZHEIMER'S AND OTHER MEMORY DISORDERS.

- OFFERS A PARTIAL HOSPITAL DAY PROGRAM THAT ENABLES PATIENTS TO RECEIVE PSY-CHIATRIC AND SUBSTANCE ABUSE TREATMENT DURING THE DAY AND RETURN TO THE COMFORT OF THEIR OWN HOMES AT NIGHT.

- CONDUCTS CUTTING-EDGE RESEARCH HELPING TO UNLOCK THE SECRETS OF BRAIN-BASED DISEASES. BUTLER SECURED MORE THAN $11.1 MILLION IN GRANT FUNDING IN FISCAL YEAR 2010 SUPPORTING RESEARCH IN SUCH AREAS AS MOOD DISORDERS, OBSESSIVE COMPULSIVE DISORDER, ANXIETY DISORDERS, MEMORY DISORDERS, ADDICTIONS, PARKINSON'S DISEASE, AND PSYCHOSOCIAL INTERVENTIONS FOR FAMILIES.

- WORKS TO INCREASE UNDERSTANDING OF MENTAL ILLNESS AND REDUCE STIGMA BY PROVIDING ONGOING.

DRAFT

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

KENT HOSPITAL

==========

KENT IS A LICENSED 359-BED NOT-FOR-PROFIT ACUTE CARE HOSPITAL. KENT WAS ESTABLISHED IN 1951 AND IS RHODE ISLAND'S LARGEST COMMUNITY HOSPITAL WITH THE SECOND BUSIEST EMERGENCY DEPARTMENT, KENT:

- OFFERS A FULL SPECTRUM OF IN- AND OUTPATIENT HEALTH SERVICES FOR ALL AGES.

- OPERATES THE STATE'S SECOND LARGEST EMERGENCY DEPARTMENT WITH A DEDICATED PEDIATRIC EMERGENCY UNIT THAT CARES FOR 6,000 CHILDREN A YEAR.

- OFFERS ADVANCED TECHNOLOGY, INSTALLING SUCH ADVANCES AS HIGH-SPEED, MULTI-SLICE CT SCANNERS AND DIGITAL RADIOLOGY EQUIPMENT.

- OFFERS SUCH SPECIALTY SERVICES AS A MULTIDISCIPLINARY WOUND RECOVERY CENTER AND A CANCER PROGRAM ACCREDITED BY THE AMERICAN COLLEGE OF SURGEONS.

- COLLABORATES WITH WOMEN & INFANTS HOSPITAL TO OPERATE THE STATE'S ONLY LEVEL II SPECIAL CARE NURSERY AND TO OFFER EXPERT BREAST CANCER DIAGNOSES AND TREATMENT AT THE BREAST HEALTH CENTER AT KENT.

DRAFT

- TRAINS PHYSICIANS THROUGH ITS EMERGENCY MEDICINE AND FAMILY PRACTICE RESIDENCY PROGRAMS AFFILIATED WITH THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE, ONE OF THE COUNTRY'S LEADING OSTEOPATHIC MEDICAL SCHOOLS.

- HELPS STROKE PATIENTS IN ITS STROKE CENTER, WHICH EARNED THE GOLD SEAL OF APPROVAL FROM THE JOINT COMMISSION FOR PRIMARY STROKE CENTERS.

- PURSUES EXCELLENCE. THE WOMEN'S DIAGNOSTIC IMAGING CENTER HAS BEEN DESIGNATED AS A BREAST IMAGING CENTER OF EXCELLENCE BY THE AMERICAN COLLEGE OF RADIOLOGY.

- EMPLOYS INNOVATIVE APPROACHES TO RECRUITING AND RETAINING NURSES, INCLUDING A UNIQUE COLLABORATION WITH SALVE REGINA UNIVERSITY TO BRING BACCALAUREATE CLASSES ON-SITE FOR KENT NURSES.

DRAFT

WOMEN & INFANTS HOSPITAL

==========

WOMEN & INFANTS INCLUDES 167-ADULT BEDS, 80-NEONATAL INTENSIVE CARE UNIT BED, 60-NEWBORN BASSINETS AND 10-OPERATING ROOMS. A NATIONAL CENTER OF EXCELLENCE IN WOMEN'S HEALTH, WHERE MORE THAN 73% OF RHODE ISLAND'S BABIES ARE DELIVERED EACH YEAR. WOMEN & INFANTS:

- IS THE PREMIER HEALTH RESOURCE IN THE REGION FOR NEWBORNS AND WOMEN AND

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

THE REGION'S ONLY PERINATAL CENTER.

- IS ONE OF THE LEADING SPECIALTY HOSPITALS IN THE NATION AND A U.S. NEWS BEST HOSPITAL IN GYNECOLOGY.

- OPENED THE NATION'S LARGEST SINGLE-FAMILY ROOM NEONATAL INTENSIVE CARE UNIT IN 2009. THE UNIT TENDED TO APPROXIMATELY 1,200 TINY BABIES LAST YEAR. ABOUT 14% OF THOSE BABIES WERE BROUGHT TO WOMEN & INFANTS FROM OTHER HOSPITALS.

DRAFT

- OFFERS THE SERVICES OF A GENERAL AND GYNECOLOGICAL SURGICAL PROGRAM WITH MORE THAN 7,825 PROCEDURES PERFORMED IN FISCAL YEAR 2010.

- CULTIVATES AND EXPANDS COMPREHENSIVE PRIMARY AND SPECIALIZED CARE SERVICES FOR WOMEN THROUGH THE WOMEN'S PRIMARY CARE CENTER. TOGETHER WITH THE DIVISION OF AMBULATORY CARE'S URGENT CARE SERVICES, THE CENTER SEES APPROXIMATELY 39,000 WOMEN EACH YEAR.

- FOCUSES ON THE NEEDS OF WOMEN AT EVERY STAGE OF LIFE WITH SUCH SPECIALIZED PROGRAMS AS THE CENTER FOR REPRODUCTION AND INFERTILITY, THE PROGRAM IN WOMEN'S ONCOLOGY AND ITS BREAST HEALTH CENTER, THE CENTER FOR WOMEN'S BEHAVIORAL HEALTH, AND THE CENTER FOR WOMEN'S GASTROINTESTINAL DISORDERS.

- PROVIDES UNIQUE SERVICES THROUGH PROJECT LINK FOR PREGNANT WOMEN

RIDOH 1110

STRUGGLING WITH SUBSTANCE ABUSE.

- TAILORS CLINICAL SERVICES AND RESEARCH IN VARIOUS PSYCHOLOGICAL AND SOCIAL ASPECTS OF PEDIATRICS - FROM COLIC TO DRUG EXPOSURE - IN THE BROWN CENTER FOR THE STUDY OF CHILDREN AT RISK.

- WOMEN & INFANTS SERVES AS THE LEAD PARTNER WITH BROWN UNIVERSITY ON THE NATIONAL CHILDREN'S STUDY, A GROUNDBREAKING PROJECT.

DISCLOSURE INFORMATION

CORE FORM, PART V; QUESTION 2A

AS OUTLINED HEREIN THE ORGANIZATION'S PROGRAM SERVICE REVENUE AND SALARIES EXPENSE INCREASED SIGNIFICANTLY FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2011; HOWEVER THE NUMBER OF EMPLOYEES DID NOT INCREASE SIGNIFICANTLY. THE REASON FOR THIS IS BECAUSE THE NUMBER OF EMPLOYEES IS REPORTED BASED UPON CALENDAR YEAR 2010 AND THE NUMBER OF W-2'S ISSUED WHEREAS THE ORGANIZATION'S REVENUE AND EXPENSES ON THE FORM 990 ARE REPORTED ON THE FISCAL YEAR ENDED SEPTEMBER 30, 2011.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 2

CHARLES R. REPPUCCI, ESQ., MARGARET D. FARRELL, ESQ. AND ROBERT G. FLANDERS, JR., ESQ. - BUSINESS RELATIONSHIP; AND

DRAFT

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

JONATHAN K. FARNUM AND GEORGE W. SHUSTER - BUSINESS RELATIONSHIP

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS THE PARENT ENTITY OF THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE IRS. IN ADDITION THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE ALSO PERFORMED A REVIEW OF THE FEDERAL FORM 990 PRIOR TO MAKING IT AVAILABLE TO EACH VOTING MEMBER OF ITS BOARD OF DIRECTORS. THE CARE NEW ENGLAND HEALTH SYSTEM BOARD OF DIRECTORS HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE SYSTEM.

DRAFT

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S ASSOCIATE VICE PRESIDENT OF FINANCE AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

RIDOH 1112

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING, BUT NOT LIMITED TO, THE INDIVIDUAL OUTLINED ABOVE, FOR HER REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE. FOLLOWING THE FINANCE COMMITTEE'S REVIEW THE FINAL FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING WITH THE IRS.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES ANNUALLY. IF A DIRECTOR DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE DIRECTOR'S POTENTIAL CONFLICT IS REFERRED TO THE BOARD OR THE COMMITTEE, WHICH EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE DIRECTOR'S PARTICIPATION ON THE BOARD OR ON CERTAIN ISSUES THAT MAY COME BEFORE THE

RIDOH 1113

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

BOARD. AFTER CONSULTATION WITH COUNSEL, THE COMMITTEE WILL TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 15

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

DRAFT

THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT;

RIDOH 1114

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

2. THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION; AND

3. THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION.

THE COMMITTEE IS COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM ARE INDEPENDENT, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT COUNTY MEMORIAL HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, BUTLER HOSPITAL AND THE KENT COUNTY VNA) AS WELL AS FROM THE CNE BOARD, SERVE ON THE COMMITTEE. THE CNE PRESIDENT/CHIEF EXECUTIVE OFFICER PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT/CHIEF EXECUTIVE OFFICER.

DRAFT

THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA; SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES. THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILARLY SIZED HEALTHCARE SYSTEMS AND HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE.

THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION

RIDOH 1115

COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED.

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE PRESIDENT/CHIEF EXECUTIVE OFFICER. THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY EITHER THE COMPENSATION COMMITTEES OF KENT COUNTY MEMORIAL HOSPITAL OR WOMEN & INFANTS HOSPITAL OF RHODE ISLAND OR BY THE CARE NEW ENGLAND HEALTH SYSTEM PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION C; QUESTION 19

THE ORGANIZATION HAS ISSUED TAX-EXEMPT BONDS TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT PRIMARILY FOR THE THREE INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITALS WITHIN THE SYSTEM; BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN &

RIDOH 1116

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

INFANTS HOSPITAL OF RHODE ISLAND. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE ORGANIZATION'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF RHODE ISLAND SECRETARY OF STATE.

COMPENSATION INFORMATION DISCLOSURE

CORE FORM, PART VII AND SCHEDULE J

DRAFT

PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME OR PART-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS.

CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF AN INTEGRATED TAX-EXEMPT HEALTHCARE DELIVERY SYSTEM WITH THREE INTENAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITALS INCLUDING KENT COUNTY MEMORIAL HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND BUTLER HOSPITAL. SANDRA L. COLETTA, CONSTANCE A. HOWES, J.D., FACHE AND PATRICIA R. RECUPERO, J.D., M.D. ARE THE PRESIDENTS OF THE THREE HOSPITALS, RESPECTIVELY. THESE INDIVIDUALS SERVE ON A FULL-TIME BASIS FOR THE THREE HOSPITALS AND ARE REPORTED ON PART VII OF THEIR RESPECTIVE HOSPITAL FORM 990 SHOWN AS WORKING 55 HOURS PER WEEK. THESE INDIVIDUALS ARE ALSO

RIDOH 1117

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

REPORTED ON THIS FORM 990 SHOWN AS WORKING ONE HOUR PER WEEK BY VIRTUE OF SERVING AS A VOTING MEMBER OF THE BOARD OF DIRECTORS FOR CARE NEW ENGLAND HEALTH SYSTEM.

IN ADDITION, CERTAIN INDIVIDUALS OF THE SENIOR MANAGEMENT TEAM INCLUDED IN THIS FORM 990 RECEIVED A FORM W-2 FROM WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, A RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. THESE INDIVIDUALS SERVE ON A FULL-TIME BASIS WORKING ON CARE NEW ENGLAND HEALTH SYSTEM MATTERS AND ARE SHOWN ON THIS FORM 990 AS EACH WORKING 55 HOURS PER WEEK; RESPECTIVELY. CERTAIN OF THESE INDIVIDUALS ARE ALSO SHOWN ON THE WOMEN & INFANTS HOSPITAL OF RHODE ISLAND FORM 990 AS WORKING ONE HOUR PER WEEK.

DRAFT

BALANCE SHEET

CORE FORM, PART X; LINE 20

DURING FY 2008, CNE AND ITS OBLIGATED GROUP MEMEBERS, BUTLER, KENT, WIH AND WIC ISSUED A TOTAL OF $84,940,000 IN RIHEBC HOSPITAL FINANCING BONDS (THE BONDS). THESE BONDS WERE ISSUED AS CNE 2008 SERIES A ($46,730,000) AND CNE 2008 SERIES B ($38,210,000). THE PROCEEDS FROM THE CNE 2008 SERIES A BONDS WERE USED TO (1) REFUND THE OUTSTANDING CNE 2002 SERIES A BONDS, AND (2) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES A BONDS. THE PROCEEDS FROM THE CNE 2008 SERIES B BONDS WERE USED TO (1) DEFEASE A PORTION OF THE OUTSTANDING CNE 2002 SERIES B BONDS, AND (2) FINANCE A PORTION OF WIH'S CERTIFICATE OF NEED PROJECT CONSISTING OF THE CONSTRUCTION, EQUIPPING, AND FURNISHING OF A FIVE-STORY ADDITION

WITH A TWO-STORY CONNECTION TO WIH'S EXISTING HOSPITAL BUILDING, (3) FINANCE A PORTION OF ROUTINE CAPITAL IMPROVEMENTS, AND (4) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES B BONDS. THE CNE 2002 SERIES B BONDS WERE DEFEASED BY DEPOSITING A PORTION OF THE PROCEEDS OF THE CNE 2008 SERIES B BOND PROCEEDS AND MONEY CONTRIBUTED BY THE OBLIGATED GROUP MEMBERS, BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL, WOMEN & INFANTS CORPORATION AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND IN AN ACCOUNT HELD BY THE TRUSTEE FOR THE CNE 2002 SERIES B BONDS TO PROVIDE FUNDS AS AND WHEN NECESSARY TO PAY THE PRINCIPAL AND INTEREST ON THE CNE 2002 SERIES B BONDS. THE OBLIGATED GROUP MEMBERS ARE JOINT AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE CNE SERIES A AND CNE SERIES B BONDS. THE OUTSTANDING BALANCE ON THE BONDS WAS $71,540,000 (SERIES A $41,655,000 AND SERIES B $29,885,000) ON SEPTEMBER 30, 2011. THE BOND PROCEEDS RECEIVED BY THE HOSPITALS UNDER THE 2008 SERIES A & B BONDS REPRESENT THE AMOUNT ALLOCATED THROUGH THE CNE FINANCING PROGRAMS AND ARE CLASSIFIED AS A "DUE TO CNE" ON THE HOSPITAL'S INDIVIDUAL FINANCIAL STATEMENTS. THE OUTSTANDING BALANCE DUE TO CNE BY HOSPITAL AS OF SEPTEMBER 30, 2011 IS AS FOLLOWS:

DRAFT

	SERIES A	SERIES B	TOTAL
BUTLER	$ 4,359,960	$ NONE	$ 4,359,960
KENT	$15,617,243	$ NONE	$15,617,243
WIH	$18,067,237	$29,885,000	$47,952,237

RIDOH 1119

TOTAL	$38,044,440	$29,885,000	$67,929,440

IN 2010, THE HEALTH SYSTEM ISSUED RIHEBC 2010 SERIES FIXED RATE BONDS OF $12,000,000. THE BONDS HAVE MANDATORY SINKING FUND REDEMPTIONS RANGING FROM $424,000 IN 2012 TO $813,065 IN 2030, WITH A FINAL PAYMENT OF $417,695 IN 2031. THESE BONDS WERE ISSUED DIRECT PURCHASE TAX EXEMPT BANK QUALIFIED BONDS. THE BONDS BEAR A FIXED INTEREST RATE OF 3.65% THROUGH DECEMBER, 2017 WITH 3 YEAR OPTIONAL TENDERS THROUGH DECEMBER, 2030. THE BONDS BEAR INTEREST ON A PER ANNUM BASIS WITH SEMI-ANNUAL PAYMENTS BASED ON A 20 YEAR AMORTIZATION. THE PROCEEDS FROM THE BONDS ARE BEING USED BY KENT TO FINANCE (I) THE RENOVATION, EQUIPPING AND FURNISHING OF EXISTING HOSPITAL SPACE TO HOUSE A TEN (10) BED SHORT STAY UNIT; (II) THE CONSTRUCTION, EQUIPPING AND FURNISHING OF A 30,000 SQUARE FOOT AMBULATORY SURGICAL CENTER WITH A CONNECTION TO KENT'S EXISTING HOSPITAL BUILDING AND (III) COST OF ISSUANCE. CNE, BUTLER, KENT, WIC AND WIH ARE JOINTLY AND SEVERABLE LIABLE FOR REPAYMENT. UNSPENT BOND PROCEEDS OF $11,486,297 ARE INCLUDED IN TRUSTEE-HELD FUNDS IN THE CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 2011. THE OBLIGATED GROUP MEMBERS ARE JOINT AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE CNE SERIES 2010 BONDS. THE OUTSTANDING BALANCE ON THE BONDS WAS $11,793,682 ON SEPTEMBER 30, 2011. THE BOND PROCEEDS RECEIVED BY KENT COUNTY MEMORIAL HOSPITAL UNDER THE 2010 BOND REPRESENTS THE AMOUNT ALLOCATED THROUGH THE CNE FINANCING PROGRAM AND ARE CLASSIFIED AS A "DUE TO CNE" ON KENT COUNTY MEMORIAL HOSPITAL'S FINANCIAL STATEMENTS. THE OUTSTANDING BALANCE DUE TO CNE BY KENT COUNTY MEMORIAL HOSPITAL AS OF SEPTEMBER 30, 2011 IS $11,793,682.

DRAFT

RIDOH 1120

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

IN 2011, THE HEALTH SYSTEM ISSUED RIHEBC 2011 SERIES FIXED RATE BONDS OF $16,000,000. THE BONDS HAVE MANDATORY SINKING FUND REDEMPTIONS RANGING FROM $607,267 IN 2012 TO $1,044,574 IN 2031. THESE BONDS WERE ISSUED AS UNRATED PRIVATE PLACEMENT TAX EXEMPT BONDS. THE BONDS BEAR A FIXED INTEREST RATE OF 2.99%. THE BONDS BEAR INTEREST ON A PER ANNUM BASIS WITH SEMI-ANNUAL PAYMENTS BASED ON A 20 YEAR AMORTIZATION. THE PROCEEDS FROM THE BONDS ARE BEING USED TO FINANCE (I) THE CONSTRUCTION, EQUIPPING AND FURNISHING OF A 32,000 SQUARE FOOT ADDITION OF BUTLER'S EXISTING HOSPITAL FACILITY; (II) REFINANCING OF THE BANK OF RHODE ISLAND MORTGAGE HELD BY WIC; (III) REFINANCING OF CERTAIN CAPITAL LEASES; (IV) PURCHASE OF CAPITAL EQUIPMENT; (V) CAPITALIZED INTEREST AND (VI) COST OF ISSUANCE. CNE, BUTLER, KENT, WIC AND WTH ARE JOINTLY AND SEVERABLE LIABLE FOR REPAYMENT. UNSPENT BOND PROCEEDS OF $11,595,442 ARE INCLUDED IN TRUSTEE-HELD FUNDS IN THE CONSOLIDATED BALANCE SHEET AT SEPTEMBER 30, 2011. THE OBLIGATED GROUP MEMBERS ARE JOINT AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE CNE SERIES 2011 BONDS. THE OUTSTANDING BALANCE ON THE BOND WAS $16,000,000 ON SEPTEMBER 30, 2011. THE BOND PROCEEDS RECEIVED BY THE HOSPITALS UNDER THE 2011 SERIES BONDS REPRESENT THE AMOUNT ALLOCATED THROUGH THE CNE FINANCING PROGRAMS AND ARE CLASSIFIED AS A "DUE TO CNE" ON THE HOSPITAL'S INDIVIDUAL FINANCIAL STATEMENTS. THE OUTSTANDING BALANCE DUE TO CNE BY HOSPITAL AS OF SEPTEMBER 30, 2011 IS AS FOLLOWS:

SERIES 2011

DRAFT

RIDOH 1121

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

BUTLER	$11,300,000
WIH	$ 4,700,000
TOTAL	$16,000,000

OTHER CHANGES IN FUND BALANCE

CORE FORM, PART XI; LINE 5

OTHER CHANGES IN FUND BALANCE INCLUDE:

- NET CHANGE IN FAIR VALUE OF INTEREST RATE SWAPS; ($1,539,686);
- NET PAYMENTS ON INTEREST RATE SWAPS; ($114,620);
- CHANGE IN NET UNREALIZED LOSSES ON INVESTMENTS; ($100,014);
- PENSION AND POST RETIREMENT ADJUSTMENT; ($2,216,786) AND
- TRANSFERS FROM RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS; $75,000.

DRAFT

AUDITED FINANCIAL STATEMENTS

CORE FORM, PART XII; QUESTION 2

THE TAXPAYER IS THE PARENT ENTITY OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). A BIG FOUR INDEPENDENT CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF THE TAXPAYER AND ALL AFFILIATES FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY

RIDOH 1122

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ENTITY. AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM. THE TAXPAYER'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

FINANCIAL STATEMENTS AND REPORTING

CORE FORM, PART XII; QUESTION 3

THE ORGANIZATION IS THE PARENT ENTITY OF THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"). THE SYSTEM ENGAGES AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A SYSTEM WIDE CONSOLIDATED A-133 AUDIT. THIS ORGANIZATION WAS INCLUDED IN THE SYSTEM WIDE A-133 AUDIT.

ATTACHMENT 1

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES

(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

	(A) NAME AND TITLE	(B) HOURS	(C) POSITION (1)(2)(3)(4)(5)(6)	(D) ORG.	(E) REL. ORG.	(F) OTHER
29	SANTINA L SIENA MD DIRECTOR	1.00	X	0.	5,300.	0.
30	JOHN M SUTHERLAND III ASSISTANT TREASURER	55.00	X	0.	605,702.	118,291.
31	THOMAS R COURAGE ESQ SECRETARY	55.00	X	0.	504,627.	110,253.
32	ALYSSA BOSS ASSISTANT SECRETARY	55.00	X	0.	275,023.	43,876.
33	DOMENIC DELMONICO SR VP CONTRACTING	55.00	X	0.	446,044.	79,974.
34	MARILYN WALSH SR VP HUMAN RESOURCES	55.00	X	0.	424,715.	124,008.
35	GAIL COSTA SR VP PLANNING	55.00	X	0.	396,714.	110,946.
36	MAYBELLE KERNAN VP PR MARKETING	55.00	X	0.	351,007.	52,885.
37	CEDRIC PRIEBE III MD CHIEF MEDICAL INFO OFFICER	55.00	X	392,610.	0.	53,227.
38	CARLEEN P SMITH CNE ASSOCIATE VP FINANCE	55.00	X	368,389.	0.	97,771.
39	THOMAS GARDNER DIRECTOR MATERIALS MANAGEMENT	55.00	X	244,614.	0.	82,952.
40	PATRICIA DEVANEY					

DRAFT

RIDOH 1123

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 1 (CONT'D)

	CNE ASSOC VP HUMAN RESOURCES	55.00	X	201,165.	0.	37,934.
41	RALPH HANSELMAN DIRECTOR COMPLIANCE AND AUDIT	55.00	X	137,913.	0.	29,818.

ATTACHMENT 2

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
ROBERT E DEBLOIS CHAIRMAN - DIRECTOR	0.00
EDWARD J COONEY VICE CHAIRMAN - DIRECTOR	2.00
CHARLES R REPPUCCI ESQ TREASURER - DIRECTOR	5.00
JOANNA CAIN MD DIRECTOR (TERM 12/27/10)	0.00
THOMAS J CELONA DIRECTOR	2.00
EARL D CHAMBERS DIRECTOR	2.00
ALLEN H CICCHITELLI DIRECTOR	1.00
SANDRA L COLETTA DIRECTOR - PRES AND CEO/KCMH	56.00
ANDREW M ERICKSON DIRECTOR	6.00
JONATHAN K FARNUM DIRECTOR	2.00
MARGARET D FARRELL ESQ DIRECTOR	3.00
PHYLLIS C FIELD DIRECTOR	1.00
MICHAEL A FIORI MD DIRECTOR	25.00
ROBERT G FLANDERS JR ESQ DIRECTOR	2.00
KENT W GLADDING DIRECTOR	2.00
DUANE T GOLOMB MD DIRECTOR	1.00
BENJAMIN P HARRIS III ESQ DIRECTOR	0.00
DEAN T HOLT DIRECTOR	1.00
CONSTANCE A HOWES JD FACHE DIRECTOR - PRES/CEO/WIH	58.00
JOHN H HOWLAND	

DRAFT

RIDOH 1124

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

DIRECTOR	0.00
JOHN J HYNES ESQ (10/1-7/31)	
DIRECTOR - PRES/CEO/CNE	2.00
DENNIS KEEFE (8/1-9/30)	
DIRECTOR - PRES/CEO/CNE	0.00
DOUGLAS L JACOBS	
DIRECTOR	6.00
KATHERINE F MCKENZIE	
DIRECTOR	2.00
MAUREEN G PHIPPS MD MPH	
DIRECTOR	58.00
STEVEN A RASMUSSEN MD	
DIRECTOR	55.00
PATRICIA R RECUPERO JD MD	
DIRECTOR - PRES/CEO/BH	55.00
GEORGE W SHUSTER	
DIRECTOR	2.00
SANTINA L SIENA MD	
DIRECTOR	1.00
JOHN M SUTHERLAND III	
ASSISTANT TREASURER	1.00
THOMAS R COURAGE ESQ	
SECRETARY	3.00
ALYSSA BOSS	
ASSISTANT SECRETARY	0.00
DOMENIC DELMONICO	
SR VP CONTRACTING	0.00
MARILYN WALSH	
SR VP HUMAN RESOURCES	0.00
GAIL COSTA	
SR VP PLANNING	1.00
MAYBELLE KERNAN	
VP PR MARKETING	1.00
CEDRIC PRIEBE III MD	
CHIEF MEDICAL INFO OFFICER	0.00
CARLEEN P SMITH	
CNE ASSOCIATE VP FINANCE	0.00
THOMAS GARDNER	
DIRECTOR MATERIALS MANAGEMENT	0.00
PATRICIA DEVANEY	
CNE ASSOC VP HUMAN RESOURCES	0.00
RALPH HANSELMAN	
DIRECTOR COMPLIANCE AND AUDIT	0.00

DRAFT

ATTACHMENT 3

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 3 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ERNST AND YOUNG LLP P.O. BOX 827006 PHILADELPHIA, PA 19182	AUDITING	407,450.
HINCKLEY ALLEN AND SNYDER LLP 50 KENNEDY PLAZA, SUITE 1500 PROVIDENCE, RI 02903	LEGAL	263,002.
LIGHTHOUSE COMPUTER SERVICES INC P.O. BOX 84-5592 BOSTON, MA 02284-5592	BILLING	235,647.
REVIVE 915 ST. VINCENT AVENUE SANTA BARBARA, CA 93101	MARKETING	227,056.
NOVILLE TECH 21709 CONNEMARA NORTHVILLE, MI 48167	CONSULTING	204,982.
	TOTAL COMPENSATION	1,338,137.

DRAFT

ATTACHMENT 4

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	74,620.			74,620.
WORKERS' COMPENSATION TRUST	9,726.			9,726.
TOTALS	84,346.			84,346.

ATTACHMENT 5

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: DUE FROM AFFILIATES

BEGINNING BALANCE DUE	75,456,682.
ENDING BALANCE DUE	107,216,468.

RIDOH 1126

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 5 (CONT'D)

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE	75,456,682.
TOTAL ENDING NOTES AND LOANS RECEIVABLES	107,216,468.

ATTACHMENT 6

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
AUCTION RATE SECURITIES	4,043,124.	FMV
TOTALS	4,043,124.	

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) CARE NEW ENGLAND WELLNESS CENTERS, LLC 05-0501283 45 WILLARD AVE., 3RD FLOOR PROVIDENCE, RI 02906	DISSOLVED	RI	248,004.	0.	CNE
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BLVD. PROVIDENCE, RI 02906	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE	X	
(2) WOMEN AND INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	CNE	X	
(3) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	HOSPITAL	WIC		X
(4) WOMEN AND INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	WIC		X
(5) PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC.	RI	501(C)(3)	509(A)(2)	WIC		X
(6) WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTHCARE	MA	501(C)(3)	509(A)(2)	WIH		X
(7) KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE	X	

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	509(A)(3)	KCMH		X
(2) KENT COUNTY VNA D/B/A VNA OF CNE 05-0242659 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	170B1AVI	CNE	X	
(3) HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	509(A)(2)	KCVNA		X
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 1129

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(2) W & I INDEMNITY, LTD. 98-0159342 23 LIME TREE BAY AVE PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(3)							
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 1130

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to other organization(s)	X	
c	Gift, grant, or capital contribution from other organization(s)		X
d	Loans or loan guarantees to or for other organization(s)	X	
e	Loans or loan guarantees by other organization(s)	X	
f	Sale of assets to other organization(s)		X
g	Purchase of assets from other organization(s)		X
h	Exchange of assets		X
i	Lease of facilities, equipment, or other assets to other organization(s)		X
j	Lease of facilities, equipment, or other assets from other organization(s)	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)	X	
l	Performance of services or membership or fundraising solicitations by other organization(s)		X
m	Sharing of facilities, equipment, mailing lists, or other assets	X	
n	Sharing of paid employees	X	
o	Reimbursement paid to other organization for expenses	X	
p	Reimbursement paid by other organization for expenses	X	
q	Other transfer of cash or property to other organization(s)		X
r	Other transfer of cash or property from other organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	BUTLER HOSPITAL	K	6,404,969.	COST
(2)	KENT COUNTY MEMORIAL HOSPITAL	K	21,855,765.	COST
(3)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	K	28,106,974.	COST
(4)	KENT COUNTY VNA D/B/A VNA OF CNE	K	843,397.	COST
(5)	KENT COUNTY MEMORIAL HOSPITAL	D	17,793,682.	COST
(6)	BUTLER HOSPITAL	D	11,300,000.	COST

DRAFT

RIDOH 1131

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		
b Gift, grant, or capital contribution to other organization(s)	1b		
c Gift, grant, or capital contribution from other organization(s)	1c		
d Loans or loan guarantees to or for other organization(s)	1d		
e Loans or loan guarantees by other organization(s)	1e		
f Sale of assets to other organization(s)	1f		
g Purchase of assets from other organization(s)	1g		
h Exchange of assets	1h		
i Lease of facilities, equipment, or other assets to other organization(s)	1i		
j Lease of facilities, equipment, or other assets from other organization(s)	1j		
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		
m Sharing of facilities, equipment, mailing lists, or other assets	1m		
n Sharing of paid employees	1n		
o Reimbursement paid to other organization for expenses	1o		
p Reimbursement paid by other organization for expenses	1p		
q Other transfer of cash or property to other organization(s)	1q		
r Other transfer of cash or property from other organization(s)	1r		

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	D	4,700,000.	COST
(2)	BUTLER HOSPITAL	E	139,209.	COST
(3)	KENT COUNTY MEMORIAL HOSPITAL	E	498,643.	COST
(4)	KENT COUNTY MEMORIAL HOSPITAL	E	370,000.	COST
(5)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	E	576,869.	COST
(6)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	E	1,260,000.	COST

DRAFT

RIDOH 1132

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

DRAFT

RIDOH 1133

Part VII **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

TRANSACTIONS WITH RELATED ORGANIZATIONS

SCHEDULE R, PART V

AS OUTLINED IN SCHEDULE O, CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM. THIS ORGANIZATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) ORGANIZATION. THE SYSTEM ALSO INCLUDES BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND; EACH IS ALSO RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITAL. THIS ORGANIZATION ROUTINELY PAYS EXPENSES FOR VARIOUS AFFILIATES WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM IN THE ORDINARY COURSE OF BUSINESS. THESE RELATED PARTY TRANSACTIONS ARE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND ITS AFFILIATES. THESE ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY HEALTHCARE AND WELLNESS SERVICES TO THE COMMUNITIES IN WHICH THEY ARE SITUATED.

DRAFT

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2010

Name of estate or trust: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

Note: *Form 5227 filers need to complete* ***only*** *Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example. 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr)	(c) Date sold (mo , day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo , day, yr.)	(c) Date sold (mo , day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	240,589.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	240,589.

DRAFT

Part III Summary of Parts I and II
Caution: *Read the instructions* ***before*** *completing this part.*

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13 Net short-term gain or (loss)	13			
14 Net long-term gain or (loss):				
a Total for year	14a			240,589.
b Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			240,589.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet*** *as necessary.*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of: 16 ( )

a The loss on line 15, column (3) **or** b $3,000

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover.*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero.

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if:*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17	
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18			
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19			
20	Add lines 18 and 19	20			
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21			
22	Subtract line 21 from line 20. If zero or less, enter -0-			22	
23	Subtract line 22 from line 17. If zero or less, enter -0-			23	
24	Enter the **smaller** of the amount on line 17 or $2,300			24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **No.** Enter the amount from line 23			25	
26	Subtract line 25 from line 24			26	
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22			27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28	
29	Subtract line 28 from line 27			29	
30	Multiply line 29 by 15% (.15)				30
31	Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				31
32	Add lines 30 and 31				32
33	Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				33
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)				34

DRAFT

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number 05-0490997

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a					
JP MORGAN SECURITIES	VARIOUS	VARIOUS	31,781.		31,781.
AUCTION RATE SECURITIES	VARIOUS	VARIOUS	208,808.		208,808.

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2010

Attachment Sequence No. **27**

Name(s) shown on return

CARE NEW ENGLAND HEALTH SYSTEM

Identifying number

05-0490997

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo , day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3	Gain, if any, from Form 4684, line 42	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.		
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.		
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9	

Part II **Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

ATTACHMENT 1						-76,425.

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	-76,425.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23 Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

DRAFT

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales price (**Note:** See *line 1 before completing.*)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis Subtract line 22 from line 21	23				
24 Total gain Subtract line 23 from line 20	24				
25 If section 1245 property:					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 If section 1250 property: If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 If section 1252 property: Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 If section 1254 property:					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 If section 1255 property:					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the **smaller** of line 24 or 29a (see instructions)	29b				

DRAFT

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30 Total gains for all properties. Add property columns A through D, line 24	30		
31 Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31		
32 Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6	32		

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33 Section 179 expense deduction or depreciation allowable in prior years	33		
34 Recomputed depreciation (see instructions)	34		
35 Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

CARE NEW ENGLAND HEALTH SYSTEM
Supplement to Form 4797 Part II Detail

05-0490997
ATTACHMENT 1

Description	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed or Allowable	Cost or Other Basis	Gain or (Loss) for entire year
TELEPHONE SYSTEM	VARIOUS	VARIOUS	2,225.	86,587.	161,303.	-72,491.
STRESS TESTING EQUIP	VARIOUS	VARIOUS	5,000.	8,933.	17,867.	-3,934.
Totals						-76,425.

DRAFT

JSA
0XA259 1.000
7411CY U600

RIDOH 1140

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS *e-file* Signature Authorization for an Exempt Organization

For calendar year 2010, or fiscal year beginning 10/01 , 2010, and ending 09/30 , 20 11

▶ **Do not send to the IRS. Keep for your records.**
▶ **See instructions on back.**

OMB No. 1545-1878

2010

Name of exempt organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Name and title of officer

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a, or 5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I

1a	**Form 990** check here ▶	[X]	**b Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	1b	57826030.
2a	**Form 990-EZ** check here ▶	[ ]	**b Total revenue,** if any (Form 990-EZ, line 9)	2b	
3a	**Form 1120-POL** check here ▶	[ ]	**b Total tax** (Form 1120-POL, line 22)	3b	
4a	**Form 990-PF** check here ▶	[ ]	**b Tax based on investment income** (Form 990-PF, Part VI, line 5)	4b	
5a	**Form 8868** check here ▶	[ ]	**b Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	5b	

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize WITHUMSMITH+BROWN, PC (ERO firm name) to enter my PIN 9 0 9 9 7 as my signature

Enter five numbers, but do not enter all zeros

on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ Date ▶

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

2 2 0 0 6 2 0 7 9 6 0

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ Date ▶ 8/6/12

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form. Form **8879-EO** (2010)

JSA

CE1676 2.204 11CY U600

RIDOH 1141

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01 , **2009, and ending** 09/30 , **20** 10

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization CARE NEW ENGLAND HEALTH SYSTEM

Doing Business As

Number and street (or P O box if mail is not delivered to street address) 45 WILLARD AVENUE — Room/suite

City or town, state or country, and ZIP + 4 PROVIDENCE, RI 02905

D Employer identification number 05-0490997

E Telephone number (401) 274-1122 EXT 8130

G Gross receipts $ 41,000,131.

F Name and address of principal officer: JOHN M. SUTHERLAND, III
45 WILLARD AVENUE - 3RD FLOOR PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

I Tax-exempt status: ☒ 501(c)(3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.CARENEWENGLAND.ORG

H(c) Group exemption number ▶

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1996 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	27
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of employees (Part V, line 2a)	5	197
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)		0.
9	Program service revenue (Part VIII, line 2g)	39,026,186.	39,805,640.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,014,962.	1,176,729.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	21,952.	17,762.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	40,063,100.	41,000,131.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	23,768,000.	24,134,223.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 0.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	15,193,696.	15,628,455.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	38,961,696.	39,762,678.
19	Revenue less expenses. Subtract line 18 from line 12	1,101,404.	1,237,453.

Net Assets or Fund Balances

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	96,878,448.	95,033,482.
21	Total liabilities (Part X, line 26)	103,477,577.	105,634,998.
22	Net assets or fund balances. Subtract line 21 from line 20	-6,599,129.	-10,601,516.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ — Date — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG U.S. LLP
75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601

EIN ▶ 34-6565596

Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. *

Form **990** (2009)

JSA
9E1010 3 000
4IV0M6 F227

RIDOH 1143

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE. SEE ATTACHMENT 2 FOR CNE VISION STATEMENT.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 36,944,393. including grants of $) (Revenue $ 39,042,939.)
CARE NEW ENGLAND HEALTH SYSTEM IS THE HOLDING COMPANY OF AN INTEGRATED HEALTHCARE DELIVERY NETWORK WHICH CONSISTS OF BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL, WOMEN AND INFANTS HOSPITAL, WOMEN AND INFANTS CORPORATION, KENT COUNTY VISITING NURSE ASSOCIATION D/B/A VNA OF CARE NEW ENGLAND, AND THEIR SUBSIDIARIES AND AFFILIATES. CARE NEW ENGLAND HEALTH SYSTEM PROVIDES MANAGEMENT SERVICES WHICH INCLUDES STRATEGIC PLANNING, INVESTMENT MANAGEMENT, CAPITAL FINANCING FOR THE GROUP, LEGAL, PURCHASING, INFORMATION TECHNOLOGY, AND COMPLIANCE/INTERNAL AUDIT.

4b (Code:) (Expenses $ 1,311,842. including grants of $) (Revenue $ 780,465.)
CARE NEW ENGLAND WELLNESS CENTER: PROGRAMS AND CLINICAL SERVICES ARE BASED ON A MODEL OF MEDICAL INTEGRATION WITH A TEAM APPROACH, INCORPORATING NUTRITION COUNSELING, FITNESS, HEALTH EDUCATION AND STRESS MANAGEMENT. AS A COMPLIMENT TO CONVENTIONAL MEDICAL TREATMENT, INTEGRATIVE THERAPIES ARE OFFERED.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e **Total program service expenses** ▶ 38,256,235.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If" Yes," complete Schedule D, Part V*	10		X
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other-securitiesin Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		X
12 A	Was the organization included in consolidated, independent audited financial statement for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.*	12A	Yes: X	No:
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X

RIDOH 1145

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 144		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 197		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		X
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

RIDOH 1147

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	27		
b	Enter the number of voting members that are independent	1b	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9a		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ CARLEEN P. SMITH 300 RICHMOND STREET PROVIDENCE, RI 02903
401-274-1122

RIDOH 1148

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN J HYNES ESQ PRESIDENT/CHIEF EXEC OFFICER	60.00	X		X				0.	1,282,943.	270,700.
PATRICIA R RECUPERO MD EXEC VP BEHAVIORAL HEALTH SVCS	60.00	X		X				0.	826,086.	289,694.
SANDRA L COLETTA EXECUTIVE VP/PRES AT KCMH	60.00	X		X				0.	553,197.	49,188.
CONSTANCE A HOWES EXECUTIVE VP/PRES&CEO AT WIH	60.00	X		X				0.	710,439.	145,996.
STEVEN A RASMUSSEN MD DIRECTOR/MED DIRECTOR - BUTLER	60.00	X						0.	484,222.	81,551.
TERRENCE F CAHILL MD DIRECTOR	1.00	X						0.	11,200.	0.
JOANNA M CAIN MD DIRECTOR/OB/GYN-IN-CHIEF - WIH	1.00	X						0.	568,582.	11,937.
THOMAS J CELONA DIRECTOR	1.00	X						0.	0.	0.
EARL D CHAMBERS DIRECTOR	1.00	X						0.	0.	0.
ALLEN H CICCHITELLI DIRECTOR	1.00	X						0.	0.	0.
EDWARD J COONEY VICE CHAIRMAN & DIRECTOR	1.00	X		X				0.	0.	0.
ROBERT E DEBLOIS DIRECTOR/CHAIRMAN	5.00	X		X				0.	0.	0.
ANDREW M ERICKSON DIRECTOR	1.00	X						0.	0.	0.
JONATHON K FARNUM DIRECTOR	1.00	X						0.	0.	0.
MARGARET D FARRELL DIRECTOR	1.00	X						0.	0.	0.
PHYLLIS C FIELD DIRECTOR	1.00	X						0.	0.	0.

RIDOH 1149

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL FIORI MD DIRECTOR	1.00	X						0.	0.	0.
ROBERT G FLANDERS DIRECTOR	1.00	X						0.	0.	0.
DIANE T GOLOMB MD DIRECTOR	1.00	X						0.	0.	0.
BENJAMIN P HARRIS III DIRECTOR	1.00	X						0.	0.	0.
DEAN T HOLT DIRECTOR	1.00	X						0.	0.	0.
JAMES A HOPKINS DIRECTOR	1.00	X						0.	0.	0.
JOHN H HOWLAND DIRECTOR	1.00	X						0.	0.	0.
DOUGLAS JACOBS DIRECTOR	1.00	X						0.	0.	0.
KATHERINE MCKENZIE DIRECTOR	1.00	X						0.	0.	0.
CHARLES R REPPUCCI TREASURER & DIRECTOR	1.00	X		X				0.	0.	0.
GEORGE W SHUSTER DIRECTOR	1.00	X						0.	0.	0.
JOHN M SUTHERLAND III ASST TREAS/PRES W&I INDEMNITY	60.00			X				0.	571,356.	130,421.
THOMAS R COURAGE ESQ SECRETARY/VP&ASST SEC AT WIH	60.00			X				0.	610,467.	106,638.
1b Total CONTINUED AT SCHEDULE J-2 ▶								1,308,816.	8,089,127.	1,927,238.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 28

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 6

Part VIII Statement of Revenue 05-0490997

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a-1f		0.			
Program Service Revenue		**Business Code**				
	2a MANAGEMENT REVENUE	541610	39,025,175.	39,025,175.		
	b PROGRAM FEE REVENUE	541519	780,465.	780,465.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		39,805,640.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,087,313.			1,087,313.
	4 Income from investment of tax-exempt bond proceeds		2.	2.		
	5 Royalties		0.			
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less. rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		0.			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	89,414.				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)	89,414.				
	d Net gain or (loss)		89,414.			89,414.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c) See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events		0.			
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory		0.			
	Miscellaneous Revenue	**Business Code**				
	11a REBATES	900099	16,531.	16,531.		
	b DISCOUNTS	900099	1,231.	1,231.		
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		17,762.			
	12 **Total Revenue.** See instructions		41,000,131.	39,823,404.		1,176,727.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S. See Part IV, line 21	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	0.			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	19,870,324.	19,870,324.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	279,461.	279,461.		
9 Other employee benefits	2,984,297.	2,984,297.		
10 Payroll taxes	1,000,141.	1,000,141.		
11 Fees for services (non-employees):				
a Management	0.			
b Legal	557,243.		557,243.	
c Accounting	407,289.		407,289.	
d Lobbying	211,970.	211,970.		
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	4,248,060.	4,248,060.		
12 Advertising and promotion	95,026.		95,026.	
13 Office expenses	231,583.	41,448.	190,135.	
14 Information technology	7,717,169.	7,717,169.		
15 Royalties	0.			
16 Occupancy	1,122,349.	1,122,349.		
17 Travel	50,975.	50,975.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	9,142.		9,142.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	387,292.	387,292.		
23 Insurance	51,073.	51,073.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a POSTAGE	53,218.	53,218.		
b DUES/SUBSCRIPT/PRINTING/PUBS	52,778.	52,778.		
c EDUCATION & TRAINING	40,369.	40,369.		
d COMMUNITY BENEFIT	12,000.	12,000.		
e PROPERTY TAX	3,364.		3,364.	
f All other expenses	377,555.	133,311.	244,244.	
25 **Total functional expenses.** Add lines 1 through 24f	39,762,678.	38,256,235.	1,506,443.	0.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1152

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing			1	
	2	Savings and temporary cash investments		3,039,880.	2	5,001,310.
	3	Pledges and grants receivable, net			3	
	4	Accounts receivable, net		406,362.	4	209,647.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L			5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L			6	
	7	Notes and loans receivable, net			7	
	8	Inventories for sale or use			8	
	9	Prepaid expenses and deferred charges		1,102,658.	9	1,736,972.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 7,316,741.			
	b	Less: accumulated depreciation	10b 4,518,321.	3,098,576.	10c	2,798,420.
	11	Investments - publicly traded securities		1,122,828.	11	2,006,651.
	12	Investments - other securities. See Part IV, line 11		8,658,064.	12	7,547,163.
	13	Investments - program-related. See Part IV, line 11			13	
	14	Intangible assets			14	
	15	Other assets. See Part IV, line 11		79,450,080.	15	75,733,319.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		96,878,448.	16	95,033,482.
Liabilities	17	Accounts payable and accrued expenses		6,923,135.	17	7,895,147.
	18	Grants payable			18	
	19	Deferred revenue			19	
	20	Tax-exempt bond liabilities		78,035,000.	20	74,500,000.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D			21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L			22	
	23	Secured mortgages and notes payable to unrelated third parties			23	
	24	Unsecured notes and loans payable to unrelated third parties			24	
	25	Other liabilities. Complete Part X of Schedule D		18,519,442.	25	23,239,851.
	26	**Total liabilities.** Add lines 17 through 25		103,477,577.	26	105,634,998.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		-6,599,129.	27	-10,601,516.
	28	Temporarily restricted net assets			28	
	29	Permanently restricted net assets			29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		-6,599,129.	33	-10,601,516.
	34	Total liabilities and net assets/fund balances		96,878,448.	34	95,033,482.

Form **990** (2009)

RIDOH 1153

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	**Employer identification number**
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☒ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		X
(ii) A family member of a person described in (i) above? 11g(ii)		X
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		X

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
ATTACHMENT 1									
Total									0.

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1157

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

VALUE OF SERVICES PROVIDED TO SUPPORTED ORGANIZATIONS

WOMEN & INFANTS' CORPORATION 05-0258937 $3,627,000

BUTLER HOSPITAL 05-0258812 $450,415

KENT COUNTY MEMORIAL HOSPITAL 05-0258896 $2,884,254

ATTACHMENT 1

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
WOMEN & INFANTS CORPORATION	05-0258937	03	X	X	X	0.
BUTLER HOSPITAL	05-0258812	03	X	X	X	0.
KENT COUNTY MEMORIAL HOSPITAL	05-0258896	03	X	X	X	0.
KENT COUNTY VISITING NURSE ASSOCIATION	05-0242659	03	X	X	X	0.
TOTAL AMOUNT OF SUPPORT						0.

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

OMB No. 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations. Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III

Name of organization	Employer identification number
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ [X] if the filing organization belongs to an affiliated group.
B Check ▶ [ ] if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	211,970.	309,255.
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)	211,970.	309,255.
d Other exempt purpose expenditures	39,550,708.	822,435,792.
e Total exempt purpose expenditures (add lines 1c and 1d)	39,762,678.	822,745,047.
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000.	1,000,000.
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000.	250,000.
h Subtract line 1g from line 1a. If zero or less, enter -0-	0.	59,255.
i Subtract line 1f from line 1c. If zero or less, enter -0-	0.	0.

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If these is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? [ ] Yes [X] No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% of line 2a, column (e))					6,000,000.
c Total lobbying expenditures	156,595.	130,304.	160,304.	211,970.	659,173.
d Grassroots nontaxable amount	156,595.	130,304.	160,304.	211,970.	659,173.
e Grassroots ceiling amount (150% of line 2d, column (e))					988,760.
f Grassroots lobbying expenditures	250,000.	250,000.	250,000.	250,000.	1,000,000.

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total. Add lines 1c through 1i			
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Part IV **Supplemental Information** *(continued)*

RIDOH 1162

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, acces sion, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solici t or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		516,454.	427,325.	89,129.
d Equipment		2,057,799.	1,791,588.	266,211.
e Other		4,742,488.	2,299,408.	2,443,080.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				2,798,420.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other AUCTION RATE SECURITIES	7,547,163.	FMV
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	7,547,163.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
DUE FROM AFFILIATES	75,456,682.
DEFERRED FINANCING COSTS	276,637.
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	75,733,319.

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATES	963,436.
SELF INSURANCE RESERVE	9,489,352.
NET PENSION LIABILITY	2,315,354.
DEFERRED COMPENSATION	490,021.
SWAP LIABILITY	9,816,848.
CURRENT PENSION LIABILITY	164,840.
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	23,239,851.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1165

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

RIDOH 1166

Part XIV Supplemental Information *(continued)*

FIN 48/ASC 740

SCHEDULE D, PART X, LINE 2

CARE NEW ENGLAND HEALTH SYSTEM'S (CNE'S) FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48/ASC 740. CNE COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2010 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO CNE'S FINANCIAL STATEMENTS.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
JOHN J HYNES ESQ	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	750,269.	438,583.	94,091.	259,940.	10,760.	1,553,643.	163,583.
PATRICIA R RECUPERO MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	401,962.	402,101.	22,023.	266,704.	22,990.	1,115,780.	256,851.
SANDRA L COLETTA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	374,325.	124,000.	54,872.	47,625.	1,563.	602,385.	0.
CONSTANCE A HOWES	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	482,357.	194,976.	33,106.	139,642.	6,354.	856,435.	34,976.
JOHN M SUTHERLAND III	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	388,800.	148,277.	34,279.	118,991.	11,430.	701,777.	26,480.
THOMAS R COURAGE ESQ	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	298,120.	271,125.	41,222.	95,947.	10,691.	717,105.	175,315.
ALYSSA BOSS	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	177,678.	52,217.	10,100.	45,427.	9,048.	294,470.	0.
STEVEN A RASMUSSEN MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	346,093.	140,651.	-2,522.	62,371.	19,180.	565,773.	159,809.
JOANNA M CAIN MD	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	489,707.	56,974.	21,901.	0.	11,937.	580,519.	0.
GAIL COSTA	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	234,885.	117,093.	32,183.	98,823.	7,343.	490,327.	43,722.
MARILYN WALSH	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	251,536.	123,996.	36,388.	110,772.	7,983.	530,675.	46,371.
MAYBELLE KERNAN	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	212,271.	195,095.	23,139.	85,163.	9,718.	525,386.	124,378.
DOMENIC DELMONICO	(i)	0.	0.	0.	0.	0.	0.	0.
	(ii)	243,771.	176,401.	20,722.	75,473.	8,420.	524,787.	19,207.
PATRICIA DEVANEY	(i)	154,043.	44,911.	1,645.	47,056.	7,994.	255,649.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS GARDNER	(i)	145,449.	72,009.	23,085.	70,928.	10,084.	321,555.	27,009.
	(ii)	0.	0.	0.	0.	0.	0.	0.
RALPH HANSELMAN	(i)	167,057.	42,120.	8,206.	49,455.	13,336.	280,174.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

FORM 990, PART VII AND SCHEDULE J

1) BASED ON CALENDAR YEAR 2009 FORM W-2 DATA.

2) DEFERRED COMPENSATION IS SUBJECT TO FORFEITURE BY THE INDIVIDUAL BASED ON THE PROVISIONS OF THE PLAN.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, QUESTION 1A

PAYMENTS MADE ON BEHALF OF CARE NEW ENGLAND CEO TO LUNCHEON CLUB FOR MEMBERSHIP DUES AND BUSINESS RELATED EXPENSES IN ACCORDANCE WITH EMPLOYMENT CONTRACT.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS

SCHEDULE J, PART I, QUESTION 4B

THE FOLLOWING INDIVIDUAL PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE TOTAL 2009 CONTRIBUTION TO THE NONQUALIFIED PLAN IS REPORTED BELOW AND IS ALSO REPORTED AS OTHER REPORTABLE COMPENSATION IN THE INDIVIDUAL'S 2009 COMPENSATION AS SHOWN IN SCHEDULE J-1.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SERP SPLIT DOLLAR LIFE INSURANCE:

JOHN HYNES $17,101

CONSTANCE A HOWES $4,649

JOHN M SUTHERLAND $2,820

THOMAS R COURAGE $6,673

MARILYN WALSH $4,482

GAIL COSTA $3,766

MAYBELLE KERNAN $2,516

COMP. FOR INDIVIDUALS IS EARNED BASED ON BOTH S-T & L-T INCENTIVE PROGRAMS

SCHEDULE J, PART I, QUESTIONS 6A & 6B

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM

PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF

CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS.

THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL

AREAS:

O QUALITY

O FINANCIAL

RIDOH 1171

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

O PATIENT SATISFACTION

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS:

O NET INCOME FROM OPERATIONS

O MARKET SHARE

O PATIENT SATISFACTION

O STRATEGIC OBJECTIVE

NON-FIXED PAYMENTS

SCHEDULE J, PART I, QUESTION 7

THE ORGANIZATION PAID NON-FIXED BONUS PAYMENT TO:

RALPH HANSELMAN	$42,120
PATRICIA DEVANEY	$44,911

RIDOH 1172

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THOMAS GARDNER $45,000

CARLEEN SMITH $61,158

CEDRIC PRIEBE III MD $87,000

RIDOH 1173

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information for Schedule J (Form 990), Part II.
▶ See Instructions for Schedule J (Form 990).

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	135,749.	77,688.	39,038.	78,276.	11,380.	342,131.	16,530.
CARLEEN SMITH	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)	305,515.	87,000.	5,301.	75,830.	8,137.	481,783.	0.
CEDRIC PRIEBE III MD	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)	0.	0.	0.	0.	0.	0.	0.
DONALD COUSTAN MD	(ii)	276,453.	112,758.	5,103.	0.	10,467.	404,781.	97,638.
	(i)	0.	0.	0.	0.	0.	0.	0.
DAVID LOWE	(ii)	168,846.	0.	0.	0.	0.	168,846.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-1 (Form 990) 2009

JSA

9E1293 1 000

4IV0M6 F227

RIDOH 1174

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the Organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MSC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ALYSSA BOSS ASSISTANT SECRETARY	60.00			X				0.	239,995.	54,475.
GAIL COSTA SR VP PLANNING	60.00				X			0.	384,161.	106,166.
MARILYN WALSH SR VP HUMAN RES	60.00				X			0.	411,920.	118,755.
MAYBELLE KERNAN VP PR-MARKETING	60.00				X			0.	430,505.	94,881.
DOMENIC DELMONICO SR VP CONTRACTING	60.00				X			0.	440,894.	83,893.
PATRICIA DEVANEY CNE ASSOC VP HUMAN RESOURCES	60.00					X		200,599.	0.	55,050.
THOMAS GARDNER DIRECTOR MATERIALS MANAGEMENT	60.00					X		240,543.	0.	81,012.
RALPH HANSELMAN DIRECTOR COMPLIANCE AND AUDIT	60.00					X		217,383.	0.	62,791.
CARLEEN SMITH CNE ASSOCIATE VP FINANCE	50.00					X		252,475.	0.	89,656.
CEDRIC PRIEBE III MD CHIEF MEDICAL INFO OFFICER	60.00					X		397,816.	0.	83,967.
DONALD COUSTAN MD FORMER/CURRENTLY EMPLOYED MD							X	0.	394,314.	10,467.
DAVID LOWE FORMER/CURRENTLY EMPLOYED MD							X	0.	168,846.	0.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-2 (Form 990) 2009

JSA
9E1259 1 000 TIV0M6 F227

RIDOH 1175

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

▶ Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No
A	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	53-1300173	7622430B3	02/01/2008	46,730,000.	SEE SCHEDULE C		X		X
B	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	53-1300173	7622430B4	02/01/2008	38,210,000.	SEE SCHEDULE O		X		X
C										
D										
E										

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	46,958,454.	38,210,000.			
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows	46,610,000.	6,780,419.			
4	Other unspent proceeds					
5	Issuance costs from proceeds	90,915.	198,920.			
6	Working capital expenditures from proceeds	29,085.	24,782.			
7	Capital expenditures from proceeds		31,205,879.			
8	Year of substantial completion	2008	2009			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X			X						
10	Were the bonds issued as part of an advance refunding issue?		X	X							
11	Has the final allocation of proceeds been made?		X	X							
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
b Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	0.0000%		0.0000%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	0.0000%		0.0000%		%		%		%	
6 Total of lines 4 and 5	0.0000%		0.0000%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2 Is the bond issue a variable rate issue?	X		X							
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X							
b Name of provider	BOA & DEUTSCHE BANK		MORGAN STANLEY							
c Term of hedge	24.400		29.500							
4a Were gross proceeds invested in a GIC?		X		X						
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X		X						
6 Did the bond issue qualify for an exception to rebate?		X		X						

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Excess Benefit Transacations (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
MARGARET D. FARRELL	DIR/PRINCIPAL OF LAW FIRM	275,528.	CNE PAYS HINCKLEY/ALLEN/SNYDER		X
ROBERT G. FLANDERS	DIR/PRINCIPAL OF LAW FIRM	275,528.	CNE PAYS HINCKLEY/ALLEN/SNYDER		X
CHARLES R. REPPUCCI	DIR/PRINCIPAL OF LAW FIRM	275,528.	CNE PAYS HINCKLEY/ALLEN/SNYDER		X

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

ATTACHMENT 2

CNE VISION STATEMENT

FORM 990, PART III, QUESTION 1

CARE NEW ENGLAND WILL BUILD A BETTER SYSTEM OF HEALTH CARE FOR OUR COMMUNITY. WE WILL:

- ATTAIN THE HIGHEST STANDARDS OF QUALITY
- PROVIDE ACCESS TO ESSENTIAL HEALTH SERVICES REGARDLESS OF ABILITY TO PAY
- DELIVER AN EXCEPTIONAL PATIENT EXPERIENCE
- ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH AND TEACHING
- ADVOCATE FOR THOSE WE SERVE
- ENHANCE WELLNESS AND PREVENTION
- OPERATE IN A COST EFFECTIVE AND FINANCIALLY VIABLE MANNER.

DESCRIPTION OF RELATIONSHIPS BETWEEN OFFICERS, DIRECTORS, TRUSTEES OR KEY EMPLOYEES

FORM 990, PART VI, QUESTION 2

JONATHAN FARNUM AND GEORGE SHUSTER: BUSINESS RELATIONSHIP - CRANSTON PRINT WORKS

MARGARET D. FARRELL, ROBERT B. FLANDERS AND CHARLES R. REPPUCI:

BUSINESS RELATIONSHIP- HINCKLEY ALLEN & SNYDER, LLP

BUSINESS RELATIONSHIP- HINCKLEY ALLEN & SNYDER, LLP

DESCRIBE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990

FORM 990, PART VI, QUESTION 11

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM,

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT OF FINANCE AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R) ARE PRESENTED BY THE ASSOCIATE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE. JOHN SUTHERLAND, CFO WILL THEN SIGN THE RETURN.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, QUESTION 12C

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVES A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTEREST OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

SETTING EXECUTIVE COMPENSATION

OFFICERS & POSITIONS FOR WHICH PROCESS WAS USED & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A & 15B

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF INDEPENDENTLY FROM THE EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS: THE COMMITTEE IS COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM ARE INDEPENDENT, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT HOSPITAL, WOMEN & INFANTS HOSPITAL, BUTLER HOSPITAL, AND THE VNA) AS WELL AS FROM THE CNE BOARD SERVE ON THE COMMITTEE. THE CNE PRESIDENT & CEO ("THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT & CEO.

OUTSIDE ADVISORS: THE COMMITTEE HAS THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNSEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING THE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBLITY: THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958 (INTERMEDIATE SANCTIONS). SPECIFICALLY THE COMMITTEE IS ACCOUNTABLE AND ULTIMATELY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

RIDOH 1181

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

* ESTABLISH AND OVERSEE CNE'S EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.

* IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.

*ANNUALLY REVIEW AND APPROVE CNE GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; SET BASE SALARY; DETERMINE ANNUAL INCENTIVE AND LONG-TERM INCENTIVE AWARDS BASED ON CNE AND INDIVIDUAL PERFORMANCE.

* ANNUALLY REVIEW THE CEO'S RECOMMENDATIONS FOR BASE SALARY, ANNUAL AND LONG-TERM INCENTIVE AWARDS, ETC. FOR THE OPERATING ENTITY PRESIDENT & CEO'S, WHICH ARE MADE IN CONSULTATION WITH EACH OPERATING ENTITES' BOARD.

* ANNUALLY REVIEW THE CEO'S COMPENSATION RECOMMENDATIONS FOR CNE EXECUTVE POSITIONS REPORTING TO THE CEO.

* PERIODICALLY REVIEW AND APPROVE OTHER IMPORTANT COMPENSATION ELEMENTS FOR THE CEO AND OTHER EXECUTIVES INCLUDING EMPLOYMENT CONTRACT AND TERM, PERQUISITES AND RETIREMENT PROGRAMS.

* REVIEW AND APPROVE OBJECTIVES AND GOALS FOR NEW AND CHANGES TO EXISTING COMPENSATION PLANS.

* OVERSEE THE LONG-TERM INCENTIVE PLAN; APPROVE ADDITIONAL PARTICIPANTS, ESTABLISH PERFORMANCE LEVELS AND MONITOR PERFORMANCE, AND APPROVE LONG-TERM AWARDS, IF EARNED.

* REVIEW AND APPROVE ANY CHANGES/AMENDMENTS TO THE CNE PENSION PLAN.

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

* REVIEW THIS CHARTER PERIODICALLY TO ENSURE IT IN COMPLIANCE WITH ALL REGULATIONS, AND RECOMMEND APPROPROATE CHANGES TO THE BOARD.

MINUTES/DOCUMENTATION: THE COMMITTEE KEEPS WRITTEN MINUTES AND OTHER RELEVANT RECORDS OF EACH MEETING. THE MINUTES ARE SUBJECT TO APPROVAL BY THE COMMITTEE MEMBERS AND, ONCE APPROVED, WILL BE MAINTAINED WITH THE RECORDS OF CNE.

YEAR IN WHICH PROCESS WAS LAST UNDERTAKEN - ANNUALLY.

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

FINANCIAL STATEMENTS AND CORPORATE DOCUMENTS (INCLUDING GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICIES) WILL BE MADE AVAILABLE BY MAIL UPON WRITTEN REQUEST.

RI HEALTH AND EDUCATIONAL BUILDING CORP SERIES A & B BONDS

SCHEDULE K PART I COL F LINES A & B

DURING FY 2008, CNE AND ITS OBLIGATED GROUP MEMBERS, BUTLER, KENT, WIH AND WIC ISSUED A TOTAL OF $84,940,000 IN RIHEBC HOSPITAL FINANCING BONDS (THE BONDS). THESE BONDS WERE ISSUED AS CNE 2008 SERIES A ($46,730,000) AND CNE 2008 SERIES B ($38,210,000). THE PROCEEDS FROM THE CNE 2008 SERIES A BONDS WERE USED TO (1) REFUND THE OUTSTANDING CNE 2002 SERIES A BONDS AND (2) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES A BONDS. THE PROCEEDS FROM THE CNE 2008 SERIES B BONDS WERE USED TO (1) DEFEASE A PORTION OF THE OUTSTANDING CNE 2002 SERIES B BONDS, AND (2) FINANCE A PORTION OF WIH'S CERTIFICATE OF NEED PROJECT CONSISTING

RIDOH 1183

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

OF THE CONSTRUCTION, EQUIPPING, AND FURNISHING OF A FIVE-STORY ADDITION WITH A TWO-STORY CONNECTION TO WIH'S EXISTING HOSPITAL BUILDING, (3) FINANCE A PORTION OF ROUTINE CAPITAL IMPROVEMENTS, AND (4) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES B BONDS. THE CNE 2002 SERIES B BONDS WERE DEFEASED BY DEPOSITING A PORTION OF THE PROCEEDS OF THE CNE 2008 SERIES B BOND PROCEEDS AND MONEY CONTRIBUTED BY THE OBLIGATED GROUP IN AN ACCOUNT HELD BY THE TRUSTEE FOR THE CNE 2002 SERIES B BONDS TO PROVIDE FUNDS AS AND WHEN NECESSARY TO PAY THE PRINCIPAL AND INTEREST ON THE CNE 2002 SERIES B BONDS. THE OBLIGATED GROUP MEMBERS ARE JOINT AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE CNE SERIES A AND CNE SERIES B BONDS. THE OUTSTANDING BALANCE ON THE BONDS WAS $74,500,000 (SERIES A $42,985,000 AND SERIES B $31,515,000) ON SEPTEMBER 30, 2010. THE BOND PROCEEDS RECEIVED BY THE HOSPITALS UNDER THE 2008 SERIES A & B BONDS REPRESENT THE AMOUNT ALLOCATED THROUGH THE CNE FINANCING PROGRAM AND ARE CLASSIFIED AS A "DUE TO CNE" ON THE HOSPITAL'S INDIVIDUAL FINANCIAL STATEMENTS. THE OUTSTANDING BALANCE DUE TO CNE BY HOSPITAL AS OF SEPTEMBER 30, 2010 IS AS FOLLOWS:

	SERIES A	SERIES B	TOTAL
BUTLER	$ 4,499,169	$ 0	$ 4,499,169
KENT	$ 16,115,886	$ 370,000	$ 16,485,886
WIH	$ 18,644,106	$ 31,145,000	$ 49,789,106
TOTAL	$ 39,259,161	$ 31,515,000	$ 70,774,161

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 2 (CONT'D)

SCHEDULE K PART IV LINES 3B & 3C

		COLUMN A	COLUMN B
LINE 3B-NAME OF PROVIDER	(1)	BANK OF AMERICA	MORGAN STANLEY
	(2)	DEUTSCHE BANK	
LINE 3C-TERM OF HEDGE	(1)	3.5	29.5
(IN YEARS)	(2)	20.9	
		24.4	29.5

AVERAGE HOURS DEVOTED TO RELATED ORGANIZATION

PART VII, SECTION A

THE FOLLOWING OFFICERS AND DIRECTORS EACH WEEK WORK ABOUT 60 HOURS INCLUDING TIME DEVOTED TO A RELATED ENTITY.

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND: CONSTANCE A. HOWES, JOANNA M. CAIN MD.

BUTLER HOSPITAL: PATRICIA R. RECUPERO MD, STEVEN A. RASMUSSEN MD.

KENT COUNTY MEMORIAL HOSPITAL: SANDRA L. COLETTA.

ATTACHMENT 3

RIDOH 1185

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

ATTACHMENT 3 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ERNST & YOUNG, LLP PO BOX 827006 PHILADELPHIA, PA 19182	AUDITING	406,950.
HINCKLEY, ALLEN & SNYDER, LLP 50 KENNEDY PLAZA STE 1500 PROVIDENCE, RI 02903	LEGAL	275,528.
NOVILLE TECH 21709 CONNEMARA NORTHVILLE, MI 48167	CONSULTING	197,072.
TOWERS WATSON PO BOX 277665 ATLANTA, GA 30384	CONSULTING	171,232.
HURON CONSULTING GROUP, LLC 8044 SOLUTIONS CENTER CHICAGO, IL 60677	CONSULTING	125,000.
TOTAL COMPENSATION		1,175,782.

RIDOH 1186

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CARE NEW ENGLAND WELLNESS CENTERS 05-0501283 45 WILLARD AVE, 3RD FLOOR PROVIDENCE, RI 02906	WELLNESS CTR	RI	780,465.	1,170,122.	N/A

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BLVD. PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
WOMEN AND INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	11-TYPE III	WIC
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC
HEALTHTOUCH, INC 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	9	KCVNA
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
KENT COUNTY VNA D/B/A VNA OF CNE 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITING NURS	RI	501(C)(3)	7	N/A
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORGAN	RI	501(C)(3)	11-TYPE I	KCMH

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	KCMH	C CORP			
W&I INDEMNITY, LTD. 98-0159342 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	W&I	C CORP			

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	X	
b	Gift, grant, or capital contribution to other organization(s)	1b	X	
c	Gift, grant, or capital contribution from other organization(s)	1c	X	
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e	X	
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved
(1)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	N	-989,748.
(2)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	O	208,908.
(3)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	P	19,580,002.
(4)	KENT COUNTY MEMORIAL HOSPITAL	N	213,432.
(5)	KENT COUNTY MEMORIAL HOSPITAL	O	35,032,717.
(6)	KENT COUNTY MEMORIAL HOSPITAL	P	1,512,560.

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

JSA

9E1310 1.000

4IV0M6 F227

RIDOH 1190

SCHEDULE R-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

OMB No. 1545-0047

2009

Open to Public Inspection

Name of filing organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
PALOMAR GROUP, INC 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTHCARE	MA	501(C)(3)	9	WIH
WOMEN AND INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	11-TYPE III	N/A

Part III **Continuation of Identification of Related Organizations Taxable as a Partnership**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514.)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner? Yes	(j) No

RIDOH 1193

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

JSA

9E1314 1.000

4IV0M6 F227

RIDOH 1194

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

	(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)	BUTLER HOSPITAL	N	459,516.
(8)	BUTLER HOSPITAL	O	374,779.
(9)	BUTLER HOSPITAL	P	11,494,308.
(10)	KENT COUNTY VISITING NURSE ASSOCIATION	N	167,988.
(11)	KENT COUNTY VISITING NURSE ASSOCIATION	P	1,743,580.
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount on Box 20 of K-1	(h) General or managing partner? Yes	(h) No

JSA

9E1316 1 000

4IV0M6 F227

RIDOH 1196

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , **2008, and ending** 09/30 , **20**09

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: CARE NEW ENGLAND HEALTH SYSTEM

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 45 WILLARD AVENUE — Room/suite:

City or town, state or country, and ZIP + 4: PROVIDENCE, RI 02905

D Employer identification number: 05-0490997

E Telephone number: (401) 274-1122 EXT 8130

G Gross receipts $ 40,063,100.

F Name and address of principal officer: JOHN M. SUTHERLAND, III
45 WILLARD AVENUE - 3RD FLOOR PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.CARENEWENGLAND.ORG

K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1996 **M** State of legal domicile: RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

Activities & Governance	3 Number of voting members of the governing body (Part VI, line 1a)	3	29
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	23
	5 Total number of employees (Part V, line 2a)	5	197
	6 Total number of volunteers (estimate if necessary)	6	NONE
	7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	NONE
	b Net unrelated business taxable income from Form 990-T, line 34	7b	NONE

		Prior Year	Current Year
Revenue	8 Contribution and grants (Part VIII, line 1h)	NONE	
	9 Program service revenue (Part VIII, line 2g)	36,071,348.	39,026,186.
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	547,978.	1,014,962.
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	-12,677.	21,952.
	12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	36,606,649.	40,063,100.
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE	NONE
	14 Benefits paid to or for members (Part IX, column (A), line 4)	NONE	NONE
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	22,040,070.	23,768,000.
	16a Professional fundraising fees (Part IX, column (A), line 11e)	NONE	NONE
	b Total fundraising expenses, Part IX, column (D), line 25) ▶ NONE		
	17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	14,436,093.	15,193,696.
	18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	36,476,163.	38,961,696.
	19 Revenue less expenses. Subtract line 18 from line 12	130,486.	1,101,404.

		Beginning of Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	101,801,310.	96,878,448.
	21 Total liabilities (Part X, line 26)	99,085,259.	103,477,577.
	22 Net assets or fund balances. Subtract line 21 from line 20	2,716,051.	-6,599,129.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Susan Dull — Date: 8/13/2010 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions): P00233523

Firm's name (or yours if self-employed), address, and ZIP + 4: ERNST & YOUNG U.S. LLP, 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601 — EIN ▶ 34-6565596 — Phone no. ▶ 864/242-5740

May the IRS discuss this return with the preparer shown above? (See instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

JSA
8E1010 2 000
4IV0M6 F227 V08-8.3 60087450

RIDOH 1198

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
CARE NEW ENGLAND IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 36,016,730. including grants of $) (Revenue $ 38,052,068.)
CARE NEW ENGLAND HEALTH SYSTEM IS THE HOLDING COMPANY OF AN INTEGRATED HEALTHCARE DELIVERY NETWORK WHICH CONSISTS OF BUTLER HOSPITAL, WOMEN AND INFANTS HOSPITAL, WOMEN AND INFANTS CORPORATION, KENT COUNTY MEMORIAL HOSPITAL, KENT COUNTY VISITING NURSE ASSOCIATION D/B/A VNA OF CARE NEW ENGLAND, AND THEIR SUBSIDIARIES AND AFFILIATES. CARE NEW ENGLAND HEALTH SYSTEM PROVIDES MANAGEMENT SERVICES WHICH INCLUDES STRATEGIC PLANNING, INVESTMENT MANAGEMENT AND CAPITAL FINANCING FOR THE GROUP.

4b (Code:) (Expenses $ 1,472,483. including grants of $) (Revenue $ 996,070.)
CARE NEW ENGLAND WELLNESS CENTERS PROVIDE PROGRAMS BASED ON A MODEL OF MEDICAL INTEGRATION WITH A TEAM APPROACH. PROGRAMS ARE PROVIDED IN CARDIAC REHABILITATION, NUTRITION, DIABETES MANAGEMENT AND EDUCATION AND WELLNESS MODEL OF MEDICAL INTEGRATION WITH A TEAM APPROACH. PROGRAMS ARE PROVIDED IN CARDIAC REHABILITATION, NUTRITION, DIABETES MANAGEMENT AND EDUCATION AND WELLNESS.

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.) SEE STATEMENT 1
(Expenses $ including grants of $) (Revenue $ 312.)

4e Total program service expenses ▶ $ 37,489,213. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		X
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		X
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20		X
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5,? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25*	24a	X	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		X
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		X
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		X
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 181		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 197		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a		X
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

				Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.				
1a	Enter the number of voting members of the governing body	1a	29		
b	Enter the number of voting members that are independent	1b	23		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3		X
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6		X
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		X
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9a	Does the organization have local chapters, branches, or affiliates?		9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990		10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶CARLEEN P. SMITH 300 RICHMOND STREET PROVIDENCE, RI 02903
401-274-1122

RIDOH 1203

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SEE SCHEDULE J-2										

RIDOH 1204

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								1,438,133.	6,868,181.	1,863,758.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 6

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 2		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 4

Part VIII Statement of Revenue 05-0490997

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a-1f					
Program Service Revenue		**Business Code**				
	2a MANAGEMENT REVENUE	541610	38,030,116.	38,030,116.		
	b PROGRAM FEE REVENUE	541519	996,070.	996,070.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		39,026,186.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,014,650.			1,014,650.
	4 Income from investment of tax-exempt bond proceeds		312.	312.		
	5 Royalties		NONE			
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		NONE			
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory					
	b Less. cost or other basis and sales expenses					
	c Gain or (loss)					
	d Net gain or (loss)		NONE			
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18. a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events		NONE			
	9a Gross income from gaming activities. See Part IV, line 19. a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities		NONE			
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory		NONE			
	Miscellaneous Revenue	**Business Code**				
	11a REBATES	900099	21,952.	21,952.		
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		21,952.			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		40,063,100.	39,048,450.		1,014,650.

RIDOH 1206

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	NONE			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	NONE			
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	19,493,031.	19,493,031.		
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	489,743.	489,743.		
9 Other employee benefits	2,774,194.	2,774,194.		
10 Payroll taxes	1,011,032.	1,011,032.		
11 Fees for services (non-employees):				
a Management	NONE			
b Legal	366,465.		366,465.	
c Accounting	399,771.		399,771.	
d Lobbying	160,304.		160,304.	
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	4,767,894.	4,767,894.		
12 Advertising and promotion	61,161.		61,161.	
13 Office expenses	279,017.	6,536.	272,481.	
14 Information technology	6,092,712.	6,092,712.		
15 Royalties	NONE			
16 Occupancy	1,977,504.	1,977,504.		
17 Travel	74,762.	74,762.		
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	129,033.	129,033.		
20 Interest	28,620.		28,620.	
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	423,890.	423,890.		
23 Insurance	21,024.	21,024.		
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a COMMUNITY BENEFIT	61,250.	61,250.		
b POSTAGE	59,712.	59,712.		
c FOOD	29,656.	29,656.		
d PROPERTY TAXES	3,453.		3,453.	
e MISCELLANEOUS	257,468.	77,240.	180,228.	
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	38,961,696.	37,489,213.	1,472,483.	NONE
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1207

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	2,227,649.	1	3,039,880.
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	377,858.	4	406,362.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sales or use		8	
	9	Prepaid expenses and deferred charges	1,610,238.	9	1,102,658.
	10a	Land, buildings, and equipment: cost basis 10a 7,242,180.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D 10b 4,143,604.	3,484,411.	10c	3,098,576.
	11	Investments - publicly traded securities STMT 3	10,777,862.	11	1,122,828.
	12	Investments - other securities. See Part IV, line 11	NONE	12	8,658,064.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	83,323,292.	15	79,450,080.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	101,801,310.	16	96,878,448.
Liabilities	17	Accounts payable and accrued expenses	5,964,576.	17	6,923,135.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	81,440,000.	20	78,035,000.
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	11,680,683.	25	18,519,442.
	26	**Total liabilities.** Add lines 17 through 25	99,085,259.	26	103,477,577.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	2,716,051.	27	-6,599,129.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets		29	
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	2,716,051.	33	-6,599,129.
	34	Total liabilities and net assets/fund balances	101,801,310.	34	96,878,448.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b		X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits?	3b	X	

RIDOH 1208

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	**Employer identification number**
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I **Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☒ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☒ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	X
(ii)	A family member of a person described in (i) above?	11g(ii)	X
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	X

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
SEE STATEMENT 4									
Total									6,802,000.

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (See instructions.) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances"" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1211

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 1212

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **To be completed by organizations described below.**

▶ **Attach to Form 990 or Form 990-EZ.**

OMB No. 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(cy)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

Part I-A **To be completed by all organizations exempt under section 501(c) and section 527 organizations.**
See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.
2 Political expenditures . . . . . ▶ $
3 Volunteer hours . . . . . .

Part I-B **To be completed by all organizations exempt under section 501(c)(3).**
See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $
2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $
3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No
4a Was a correction made? . . . . . ☐ Yes ☐ No
b If "Yes," describe in Part IV.

Part I-C **To be completed by all organizations exempt under section 501(c), except section 501(c)(3).**
See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $
2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $
3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . . . ▶ $
4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No
5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

RIDOH 1213

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

A Check ▶ [X] if the filing organization belongs to an affiliated group.
B Check ▶ [ ] if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)	160,304.	248,210.
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)	160,304.	248,210.
d Other exempt purpose expenditures	38,801,392.	776,917,406.
e Total exempt purpose expenditures (add lines 1c and 1d)	38,961,696.	777,165,616.
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.	1,000,000.	1,000,000.
g Grassroots nontaxable amount (enter 25% of line 1f)	250,000.	250,000.
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a	NONE	NONE
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c	NONE	NONE

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? [ ] Yes [X] No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount	1,000,000.	1,000,000.	1,000,000.	1,000,000.	4,000,000.
b Lobbying ceiling amount (150% line 2a, column(e))					6,000,000.
c Total lobbying expenditures	185,787.	156,595.	130,304.	160,304.	632,990.
d Grassroots non-taxable amount	185,787.	156,595.	130,304.	160,304.	632,990.
e Grassroots ceiling amount (150% of line 2d, column (e))					949,485.
f Grassroots lobbying expenditures	250,000.	250,000.	250,000.	250,000.	1,000,000.

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?			
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?			
c	Media advertisements?			
d	Mailings to members, legislators, or the public?			
e	Publications, or published or broadcast statements?			
f	Grants to other organizations for lobbying purposes?			
g	Direct contact with legislators, their staffs, government officials, or a legislative body?			
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?			
i	Other activities? If "Yes," describe in Part IV			
j	Total lines 1c through 1i			
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?			
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (**do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

Part IV **Supplemental Information** *(continued)*

RIDOH 1216

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Investment earnings or losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ _____ %
c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		
(ii) related organizations	3a(ii)		
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements		516,454.	412,006.	104,448.
d Equipment		1,983,238.	1,706,182.	277,056.
e Other		4,742,489.	2,025,417.	2,717,072.
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				3,098,576.

RIDOH 1218

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other AUCTION RATE SECURITIES	8,658,064.	FMV
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 12.)* ▶	8,658,064.	

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
DUE FROM AFFILIATES	79,103,535.
OTHER CURRENT ASSETS	57,334.
DEFERRED FINANCING COSTS	289,211.
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 15.)* ▶	79,450,080.

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATES	797,784.
SELF-INSURANCE RESERVE	8,907,944.
NET PENSION LIABILITY	2,076,372.
DEFFERED COMPENSATION	400,344.
SWAP LIABILITY	6,140,998.
CURRENT PENSION LIABILITY	196,000.
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	18,519,442.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1219

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Part XIV Supplemental Information *(continued)*

RIDOH 1221

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SEE SCHEDULE J-1	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

RIDOH 1223

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL INFOMATION

SCHEDULE J QUESTION 1B

PAYMENTS MADE TO SOCIAL CLUB FOR DUES ARE MADE IN ACCORDANCE WITH EMPLOYMENT CONTRACTS.

SCHEDULE J, QUESTIONS 6A & 6B

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH SHORT TERM AND LONG TERM INCENTIVE PROGRAMS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS:

- QUALITY
- FINANCIAL
- PATIENT SATISFACTION

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS:

- NET INCOME FROM OPERATIONS
- MARKET SHARE
- PATIENT SATISFACTION
- STRATEGIC OBJECTIVE

SCHEDULE J, QUESTION 7

THE ORGANIZATION PAID NON-FIXED BONUS PAYMENT TO:

PATRICIA DEVANEY	55,800	THOMAS GARDNER	89,509
RALPH HANSELMAN	59,600	CARLEEN SMITH	81,023
CEDRIC PRIEBE III, MD	119,600	DAVID TERRY	26,888

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
PATRICIA R RECUPERO, MD	(ii)	377,577.	167,163.	72,337.	241,167.	20,573.	878,817.	19,788.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
CONSTANCE A HOWES	(ii)	412,007.	176,340.	57,130.	118,117.	8,178.	771,772.	16,340.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JOHN M SUTHERLAND III	(ii)	321,987.	53,911.	54,083.	103,225.	11,341.	544,547.	14,140.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
THOMAS R COURAGE, ESQ	(ii)	282,264.	141,073.	48,768.	84,150.	11,148.	567,403.	14,140.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
ALYSSA BOSS	(ii)	115,191.	39,400.	15,392.	33,081.	9,464.	212,528.	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DAVID A LOWE, MD	(ii)	164,833.	NONE	NONE	NONE	NONE	164,833.	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
STEVEN A. RASMUSSEN, MD	(ii)	299,126.	189,703.	15,272.	49,751.	18,294.	572,146.	123,657.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JOANNA M. CAIN, MD	(ii)	159,146.	50,000.	7,613.	NONE	4,287.	221,046.	NONE
	(i)	134,079.	55,800.	618.	36,797.	7,734.	235,028.	NONE
PATRICIA DEVANEY	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	114,055.	62,000.	41,216.	63,541.	9,826.	290,638.	NONE
THOMAS GARDNER	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	155,020.	59,600.	696.	38,531.	15,469.	269,316.	NONE
RALPH HANSELMAN	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	105,515.	89,994.	53,329.	70,210.	11,781.	330,829.	8,971.
CARLEEN SMITH	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	267,863.	119,600.	18,417.	60,933.	10,753.	477,566.	NONE
CEDRIC PRIEBE III, MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	68,260.	26,888.	65,183.	18,752.	14,240.	193,323.	NONE
DAVID TERRY	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MARK CREVIER	(ii)	366,324.	108,873.	125,620.	142,579.	10,181.	753,577.	11,973.
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DONALD R. COUSTAN, MD	(ii)	494,123.	100,182.	41,732.	97,638.	11,681.	745,356.	NONE

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JOHN J HYNES ESQ	(ii)	758,868.	359,000.	163,354.	229,520.	8,749.	1,519,491.	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
GAIL COSTA	(ii)	206,385.	91,444.	53,939.	89,623.	6,816.	448,207.	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MARILYN WALSH	(ii)	222,047.	91,225.	51,686.	101,480.	7,454.	473,892.	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MARY KERNAN	(ii)	200,672.	85,144.	25,094.	76,136.	9,963.	397,009.	9,427.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-1 (Form 990) 2008

JSA
8E1293 1.000

RIDOH 1227

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer Identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PATRICIA R RECUPERO, MD EXECUTIVE VP/BEHAVIORAL HLTH	60.	X		X				NONE	617,077.	261,740.
DAVID A LOWE, MD DIRECTOR	60.	X		X				NONE	164,833.	NONE
STEVEN A. RASMUSSEN, MD DIRECTOR	60.	X		X				NONE	504,101.	68,045.
TERRENCE F. CAHILL, MD DIRECTOR	1.	X						NONE	NONE	NONE
JOANNA M. CAIN, MD DIRECTOR/OBGYN IN CHIEF	60.	X						NONE	216,759.	4,287.
THOMAS J. CELONA DIRECTOR	1.	X						NONE	NONE	NONE
EARL D. CHAMBERS DIRECTOR	1.	X						NONE	NONE	NONE
ALLEN H. CICCHITELLI DIRECTOR	1.	X						NONE	NONE	NONE
EDWARD J. COONEY DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT E. DEBLOIS DIRECTOR	1.	X						NONE	NONE	NONE
ANDREW M. ERICKSON DIRECTOR	1.	X						NONE	NONE	NONE
JONATHON K. FARNUM DIRECTOR/CHAIRMAN	5.	X						NONE	NONE	NONE
MARGARET D. FARRELL DIRECTOR	1.	X						NONE	NONE	NONE
PHYLLIS C. FIELD DIRECTOR	1.	X						NONE	NONE	NONE
ROBERT G. FLANDERS DIRECTOR	1.	X						NONE	NONE	NONE
BENJAMIN P. HARRIS, III DIRECTOR	1.	X						NONE	NONE	NONE
DEAN T. HOLT DIRECTOR	1.	X						NONE	NONE	NONE
JAMES A. HOPKINS DIRECTOR	1.	X						NONE	NONE	NONE
JOHN H. HOWLAND DIRECTOR	1.	X						NONE	NONE	NONE
DOUGLAS JACOBS DIRECTOR	1.	X						NONE	NONE	NONE
MARGARET MCGILLIVRAY DIRECTOR	1.	X						NONE	NONE	NONE

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer Identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
KATHERINE MCKENZIE DIRECTOR	1.	X						NONE	NONE	NONE
CHARLES R. REPPUCCI DIRECTOR	1.	X						NONE	NONE	NONE
GEORGE W. SHUSTER DIRECTOR	1.	X						NONE	NONE	NONE
ANNE SZOSTAK DIRECTOR	1.	X						NONE	NONE	NONE
JAMES SULLIVAN, MD DIRECTOR	1.	X						NONE	NONE	NONE
THOMAS A. VEST, MD DIRECTOR	1.	X						NONE	NONE	NONE
W. ARNOLD YASINSKI DIRECTOR	1.	X						NONE	NONE	NONE
JOHN M SUTHERLAND III CFO/ASSISTANT TREASURER	60.			X				NONE	429,981.	114,566.
THOMAS R COURAGE, ESQ SECRETARY	60.			X				NONE	472,105.	95,298.
ALYSSA BOSS ASSISTANT SECRETARY	60.			X				NONE	169,983.	42,545.
JOHN J HYNES ESQ PRESIDENT AND CEO	60.			X				NONE	1,281,222.	238,269.
SANDRA L COLETTA EXECUTIVE VP	60.				X			NONE	102,153.	595.
CONSTANCE A HOWES EXECUTIVE VP	60.				X			NONE	645,477.	126,295.
MARK CREVIER EXECUTIVE VP	60.				X			NONE	600,817.	152,760.
GAIL COSTA SR VP-PLANNING	60.				X			NONE	351,768.	96,439.
MARILYN WALSH SENIOR VICE PRESIDENT	60.				X			NONE	364,958.	108,934.
MARY KERNAN VICE PRESIDENT - PR/MARKETING	60.				X			NONE	310,910.	86,099.
PATRICIA DEVANEY CNE ASSOCIATE VP HR	60.					X		190,497.	NONE	44,531.
THOMAS GARDNER DIRECTOR OF MATERIALS MNGMT	60.					X		217,271.	NONE	73,367.
RALPH HANSELMAN DIRECTOR OF COMPLIANCE & AUDIT	60.					X		215,316.	NONE	54,000.
CARLEEN SMITH CNE ASSOCIATE VP FINANCE	50.					X		248,838.	NONE	81,991.

RIDOH 1229

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer Identification number

05-0490997

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
CEDRIC PRIEBE III, MD CHIEF MEDICAL INFO OFFICER	60.					X		405,880.	NONE	71,686.
DAVID TERRY FORMER EXECUTIVE ADMIN FS	50.						X	160,331.	NONE	32,992.
DONALD R. COUSTAN, MD FORMER/CURRENTLY EMPLOYED MD	1.						X	NONE	636,037.	109,319.

RIDOH 1230

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Bond Issues *(Required for 2008)*

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No
A	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	53-1300173	7622430B3	02/01/2008	46,730,000.	SEE SCHEDULE O		X		X
B	RI HEALTH AND EDUCATIONAL BUILDING CORPORATION	53-1300173	7622430B4	02/01/2008	38,210,000.	SEE SCHEDULE O		X		X
C										
D										
E										

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total proceeds of issue	46,730,000.	38,210,000.			
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows	46,610,000.	6,780,419.			
4	Other unspent proceeds					
5	Issuance costs from proceeds	90,915.	198,920.			
6	Working capital expenditures from proceeds	29,085.	24,782.			
7	Capital expenditures from proceeds		31,205,879.			
8	Year of substantial completion		1905			

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	X			X						
10	Were the bonds issued as part of an advance refunding issue?		X	X							
11	Has the final allocation of proceeds been made?		X	X							
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	X		X							

Part III Private Business Use *(Optional for 2008)*

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		X		X						
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		X		X						

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		X		X						
b Are there any research agreements with respect to the financed property which may result in private business use?		X		X						
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		X		X						
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?	X		X							

Part IV Arbitrage *(Optional for 2008)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		X		X						
2 Is the bond issue a variable rate issue?	X		X							
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?	X		X							
b Name of provider	BOA & DEUTSCHE BANK		MORGAN STANLEY							
c Term of hedge										
4a Were gross proceeds invested in a GIC?		X		X						
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		X		X						
6 Did the bond issue qualify for an exception to rebate?		X		X						

RIDOH 1232

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, lines 38b or 40b.

OMB No. 1545-0047

2008

Open To Public Inspection

Name of the organization
CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number
05-0490997

Part I Excess Benefit Transacations (section 501(c)(3) and section 501(c)(4) organizations only).

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

SUPPLEMENTAL INFORMATION

FORM 990, PART VI, QUESTION 2

DESCRIPTION OF RELATIONSHIPS

ANDREA HOPKINS AND JAMES HOPKINS - FAMILY RELATIONSHIP - IN-LAWS

JONATHAN FARNUM AND JAMES HOPKINS - BUSINESS RELATIONSHIP

- WARDWELL BRAIDING MACHINE COMPANY

JONATHAN FARNUM AND GEORGE SHUSTER - BUSINESS RELATIONSHIP

- CRANSTON PRINT WORKS

MARGARET D. FARRELL, ROBERT B. FLANDERS AND CHARLES R. REPPUCCI

- BUSINESS RELATIONSHIP

- HINCKLEY, ALLEN & SNYDER

FORM 990, PART VI, SECTION B POLICIES LINE 10

FORM 990 REVIEW PROCESS

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT OF FINANCE AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R) IS PRESENTED BY THE ASSOCIATE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

THE INTERNAL REVENUE SERVICE. JOHN SUTHERLAND, CFO WILL SIGN THE RETURN.

FORM 990, PART VI, SECTION B POLICIES LINE 12C

COMPLIANCE WITH WRITTEN CONFLICT OF INTEREST POLICY

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVES A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

FORM 990, PART VI, SECTION B POLICIES QUESTION 15A AND QUESTION 15B

DETERMINATION OF COMPENSATION FOR CEO, EXECUTIVE DIRECTOR, TOP MANAGEMENT, OFFICERS AND KEY EMPLOYEES.

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH ("CNE") HAS A COMMITTEE

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE").

THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS

THE COMMITTEE WILL BE COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM SHALL BE OUTSIDERS, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT HOSPITAL, WOMEN & INFANTS HOSPITAL, BUTLER HOSPITAL, AND THE VNA) AS WELL AS FROM THE CNE BOARD SERVE ON THE COMMITTEE. THE CNE PRESIDENT & CEO ('THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT & CEO.

OUTSIDE ADVISORS

THE COMMITTEE SHALL HAVE THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNSEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING THE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBILITY

THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958 (INTERMEDIATE SANCTIONS). SPECIFICALLY, THE COMMITTEE IS ACCOUNTABLE AND

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

ULTIMATELY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

- ESTABLISH AND OVERSEE CNE'S EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.
- IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.
- ANNUALLY REVIEW AND APPROVE CNE GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; SET BASE SALARY; DETERMINE THE ANNUAL INCENTIVE AND LONG-TERM INCENTIVE AWARDS BASED ON CNE AND INDIVIDUAL PERFORMANCE.
- ANNUALLY REVIEW THE CEO'S RECOMMENDATIONS FOR BASE SALARY, ANNUAL AND LONG-TERM INCENTIVE AWARDS, ETC. FOR THE OPERATING ENTITY PRESIDENT & CEO'S, WHICH ARE MADE IN CONSULTATION WITH EACH OPERATING ENTITIES' BOARD.
- ANNUALLY REVIEW THE CEO'S COMPENSATION RECOMMENDATIONS FOR CNE EXECUTIVE POSITIONS REPORTING TO THE CEO.
- PERIODICALLY REVIEW AND APPROVE OTHER IMPORTANT COMPENSATION ELEMENTS FOR THE CEO AND OTHER EXECUTIVES INCLUDING EMPLOYMENT CONTRACT AND TERM, PERQUISITES, RETIREMENT PROGRAMS, AND THE LIKE.
- REVIEW AND APPROVE OBJECTIVES AND GOALS FOR NEW AND CHANGES TO EXISTING COMPENSATION PLANS.
- OVERSEE THE LONG-TERM INCENTIVE PLAN; APPROVE ADDITIONAL PARTICIPANTS, ESTABLISH PERFORMANCE LEVELS AND MONITOR PERFORMANCE, AND APPROVE LONG-TERM AWARDS, IF EARNED.

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

Employer identification number

- REVIEW AND APPROVE ANY CHANGES/AMENDMENTS TO THE CNE PENSION PLAN.

- REVIEW THIS CHARTER PERIODICALLY TO ENSURE IT IS IN COMPLIANCE WITH ALL REGULATIONS, AND RECOMMEND APPROPRIATE CHANGES TO THE BOARD.

MINUTES/DOCUMENTATION

THE COMMITTEE KEEPS WRITTEN MINUTES AND OTHER RELEVANT RECORDS OF EACH MEETING. THE MINUTES ARE SUBJECT TO APPROVAL BY THE COMMITTEE MEMBERS AND, ONCE APPROVED, WILL BE MAINTAINED WITH THE RECORDS OF CNE.

FORM 990, PART VI, SECTION C POLICIES LINE 19

DISCLOSURE OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO PUBLIC

FINANCIAL STATEMENTS AND CORPORATE DOCUMENTS (INCLUDING GOVERNING DOCUMENTS AND CONFLICT OF INTEREST POLICIES) WILL BE MADE AVAILABLE BY MAIL UPON WRITTEN REQUEST

Name of the organization	Employer identification number
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

SUPPLEMENTAL INFORMATION

SCHEDULE K PART I COL F LINES A & B

RI HEALTH AND EDUCATIONAL BUILDING CORP SERIES A & B BONDS

DURING FY 2008, CNE AND ITS OBLIGATED GROUP MEMBERS, BUTLER, KENT, WIH AND WIC ISSUED A TOTAL OF $84,940,000 IN RIHEBC HOSPITAL FINANCING BONDS (THE BONDS). THESE BONDS WERE ISSUED AS CNE 2008 SERIES A ($46,730,000) AND CNE 2008 SERIES B ($38,210,000). THE PROCEEDS FROM THE CNE 2008 SERIES A BONDS WERE USED TO (1) REFUND THE OUTSTANDING CNE 2002 SERIES A BONDS AND (2) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES A BONDS. THE PROCEEDS FROM THE CNE 2008 SERIES B BONDS WERE USED TO (1) DEFEASE A PORTION OF THE OUTSTANDING CNE 2002 SERIES B BONDS, AND (2) FINANCE A PORTION OF WIH'S CERTIFICATE OF NEED PROJECT CONSISTING OF THE CONSTRUCTION, EQUIPPING, AND FURNISHING OF A FIVE-STORY ADDITION WITH A TWO-STORY CONNECTION TO WIH'S EXISTING HOSPITAL BUILDING, (3) FINANCE A PORTION OF ROUTINE CAPITAL IMPROVEMENTS, AND (4) PAY CERTAIN EXPENSES RELATED TO THE ISSUANCE OF THE CNE 2008 SERIES B BONDS. THE CNE 2002 SERIES B BONDS WERE DEFEASED BY DEPOSITING A PORTION OF THE PROCEEDS OF THE CNE 2008 SERIES B BOND PROCEEDS AND MONEY CONTRIBUTED BY THE OBLIGATED GROUP IN AN ACCOUNT HELD BY THE TRUSTEE FOR THE CNE 2002 SERIES B BONDS TO PROVIDE FUNDS AS AND WHEN NECESSARY TO PAY THE PRINCIPAL AND INTEREST ON THE CNE 2002 SERIES B BONDS. THE OBLIGATED GROUP MEMBERS ARE JOINT AND SEVERALLY LIABLE FOR THE REPAYMENT OF THE CNE SERIES A AND CNE SERIES B BONDS. THE OUTSTANDING BALANCE ON THE BONDS WAS $78,035,000 ($SERIES A $44,270,000 AND SERIES B $33,765,000) ON SEPTEMBER 30, 2009.

THE BOND PROCEEDS RECEIVED BY THE HOSPITALS UNDER THE 2008 SERIES A & B

RIDOH 1239

Name of the organization: CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number: 05-0490997

BONDS REPRESENT THE AMOUNT ALLOCATED THROUGH THE CNE FINANCING PROGRAM AND ARE CLASSIFIED AS A DUE TO CNE ON THE HOSPITAL'S INDIVIDUAL FINANCIAL STATEMENTS. THE OUTSTANDING BALANCE DUE TO CNE BY HOSPITAL AS OF SEPTEMBER 30, 2009 IS AS FOLLOWS:

	SERIES A	SERIES B	TOTAL
BUTLER	$4,633,688	$0	$4,633,688
KENT	$16,597,656	$1,410,000	$18,007,656
WIH	$19,201,456	$32,355,000	$51,556,456
TOTAL	$40,432,800	$33,765,000	$74,197,800

RIDOH 1240

Name of the organization	Employer identification number
CARE NEW ENGLAND HEALTH SYSTEM	05-0490997

990 PART IV QUESTION 12

FORM 990 PART IV QUESTION 12

CARE NEW ENGLAND'S FINANCIAL STATEMENTS INCLUDE CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CARE NEW ENGLAND AUDIT COMMITTEE.

RIDOH 1241

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

CARE NEW ENGLAND HEALTH SYSTEM

Employer identification number

05-0490997

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
CARE NEW ENGLAND WELLNESS CENTERS 05-0501283 45 WILLARD AVE, 3RD FLOOR PROVIDENCE, RI 02905	WELLNESS CTR	RI	996,070.	1,317,935.	N/A

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
SEE SCHEDULE R-1					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

JSA
8E1307 1 000

RIDOH 1242

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	KCMH	CORP			
W&I INDEMNITY, LTD. 98-0159342 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	W&I	CORP			

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

			Yes	No
1	During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a	X	
b	Gift, grant, or capital contribution to other organization(s)	1b	X	
c	Gift, grant, or capital contribution from other organization(s)	1c	X	
d	Loans or loan guarantees to or for other organization(s)	1d	X	
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	X	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	X	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	SEE SCHEDULE R-1		
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

JSA
8E1310 1.000

RIDOH 1245

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITNG NURS	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount on box 20 of K-1	(J) General or managing partner? Yes	(J) No

RIDOH 1247

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7) BUTLER HOSPITAL	N	417,432.
(8) BUTLER HOSPITAL	O	442,954.
(9) BUTLER HOSPITAL	P	10,567,792.
(10) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	N	841,644.
(11) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	O	266,714.
(12) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	P	18,175,957.
(13) KENT COUNTY MEMORIAL HOSPITAL	N	115,308.
(14) KENT COUNTY MEMORIAL HOSPITAL	O	1,253,222.
(15) KENT COUNTY MEMORIAL HOSPITAL	P	34,496,272.
(16) VNA OF CARE NEW ENGLAND	P	1,811,656.
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

DESCRIPTION	GRANTS	EXPENSES	REVENUE
INCOME FROM TAX-EXEMPT BOND PROCEED INVESTMENTS			312.
TOTALS			312.

RIDOH 1250

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
HINKLEY ALLEN AND SNYDER 50 KENNEDY PLAZA PROVIDENCE, RI 02903	LEGAL	551,157.
DAVIES 808 STATE STREET SANTA BARBARA, CA 93101	CONSULTING	475,238.
ORSON AND BRUSINI LTD 325 ANGELL STREET PROVIDENCE, RI 02906	LEGAL	241,064.
BROWN RUDNICK 1 FINANCIAL CENTER BOSTON, MA 02111	LEGAL	110,500.
	TOTAL COMPENSATION	1,377,959.

FORM 990, PART X - INVESTMENTS - PUBLICLY TRADED SECURITIES

DESCRIPTION	ENDING BOOK VALUE	COST OR FMV
PUBLICLY TRADED SECURITIES	1,122,828.	FMV
TOTALS	1,122,828.	

SCHEDULE A, PART I - INFORMATION ABOUT SUPPORTED ORGANIZATIONS

(I) NAME OF SUPPORTED ORGANIZATION	(II) EIN	(III) TYPE OF ORGANIZATION	(IV) YES NO	(V) YES NO	(VI) YES NO	(VII) AMOUNT OF SUPPORT
WOMEN & INFANTS CORPORATION	05-0258937	03	X	X	X	3,546,000.
BUTLER HOSPITAL	05-0258812	03	X	X	X	555,000.
KENT COUNTY MEMORIAL HOSPITAL	05-0258896	03	X	X	X	2,701,000.
KENT COUNTY VISITING NURSE ASSOCIATION	05-0242659	03	X	X	X	NONE
TOTAL AMOUNT OF SUPPORT						6,802,000.

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01 , **2010, and ending** 09/30 , **20** 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
BUTLER HOSPITAL

Doing Business As

Number and street (or P O. box if mail is not delivered to street address) | Room/suite
345 BLACKSTONE BOULEVARD

City or town, state or country, and ZIP + 4
PROVIDENCE, RI 02906

D Employer identification number
05-0258812

E Telephone number
(401) 681-1150 EXT 1124

G Gross receipts $ 98,698,840.

F Name and address of principal officer: PATRICIA R. RECUPERO, JD, MD
345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BUTLER.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 1844 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
TO PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT; TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE IMPROVING SERVICES TO PATIENTS AND THE COMMUNITY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	22.
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18.
5 Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	1,074.
6 Total number of volunteers (estimate if necessary)	6	145.
7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	227,010.
b Net unrelated business taxable income from Form 990-T, line 34	7b	171,763.

Revenue

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	734,144.	1,046,779.
9 Program service revenue (Part VIII, line 2g)	91,304,728.	90,813,298.
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,185,389.	1,084,894.
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	754,208.	2,452,715.
12 Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	93,978,469.	95,397,686.

Expenses

13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	450,000.	455,250.
14 Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	68,010,054.	63,515,803.
16a Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 456,768.		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	22,758,374.	30,984,871.
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	91,218,428.	94,955,924.
19 Revenue less expenses. Subtract line 18 from line 12	2,760,041.	441,762.

Net Assets or Fund Balances

	Beginning of Current Year	End of Year
20 Total assets (Part X, line 16)	76,659,967.	86,220,162.
21 Total liabilities (Part X, line 26)	36,754,343.	51,505,605.
22 Net assets or fund balances. Subtract line 21 from line 20	39,905,624.	34,714,557.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
				P00642486

Firm's name ▶ WITHUMSMITH+BROWN, PC — Firm's EIN ▶ 22-2027092

Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497 — Phone no. 973-898-9494

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

JSA
0E1010 1 000
7425CY U600

DRAFT

RIDOH 1255

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 85,274,383. including grants of $ 455,250.) (Revenue $ 91,040,308.)
EXPENSES INCURRED IN PROVIDING VARIOUS MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 85,274,383.

DRAFT

RIDOH 1256

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	X	
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	X	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	X	

DRAFT

RIDOH 1257

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		X
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

DRAFT

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V. ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 116		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 1,074		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

DRAFT

RIDOH 1259

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 22		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 18		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	X	
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	X	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ BONNIE BAKER, CPA 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906
(401)681-1150

DRAFT

RIDOH 1260

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) CHARLES R REPPUCCI ESQ CHAIR - DIRECTOR	5.00	X		X				0.	0.	0.
(2) ALLEN H CICCHITELLI VICE CHAIR - DIRECTOR	1.00	X		X				0.	0.	0.
(3) STANLEY M ARONSON MD VICE CHAIR - DIRECTOR	1.00	X		X				0.	0.	0.
(4) KEKIN A SHAH SECRETARY - DIRECTOR	1.00	X		X				0.	0.	0.
(5) ROBERT G PADULA TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(6) PHYLLIS C FIELD ASST SECRETARY - DIRECTOR	1.00	X		X				0.	0.	0.
(7) DEAN T HOLT ASST TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(8) WILLIAM J ALLEN DIRECTOR	1.00	X						0.	0.	0.
(9) EARL D CHAMBERS DIRECTOR	1.00	X						0.	0.	0.
(10) ROBERT E DEBLOIS DIRECTOR	1.00	X						0.	0.	0.
(11) MARGARET D FARRELL ESQ DIRECTOR	1.00	X						0.	0.	0.
(12) MICHAEL A FIORI MD DIRECTOR - PRESIDENT MED STAFF	25.00	X						75,536.	0.	2,526.
(13) MICHAEL FOLLICK PHD DIRECTOR	1.00	X						0.	0.	0.
(14) RABBI LESLIE Y GUTTERMAN DIRECTOR	1.00	X						0.	0.	0.
(15) DENNIS B LANGLEY DIRECTOR	1.00	X						0.	0.	0.
(16) DIANE LIPSCOMBE PHD DIRECTOR	1.00	X						0.	0.	0.

DRAFT

RIDOH 1261

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) LEWIS P LIPSITT PHD DIRECTOR	1.00	X						0.	0.	0.
(18) MICHAEL M MATONE DIRECTOR	1.00	X						0.	0.	0.
(19) MARY B OLENN DIRECTOR	1.00	X						0.	0.	0.
(20) PATRICIA R RECUPERO JD MD DIRECTOR - PRESIDENT/CEO	55.00	X		X				688,067.	0.	305,680.
(21) ARTHUR S ROBBINS DIRECTOR	1.00	X						0.	0.	0.
(22) GARY R ST PETER ESQ DIRECTOR	1.00	X						0.	0.	0.
(23) BONNIE BAKER CPA VICE PRESIDENT FINANCE/CFO	55.00			X				448,769.	0.	121,662.
(24) WALTER DIAS VICE PRESIDENT/COO	55.00			X				415,255.	0.	96,562.
(25) LINDA DAMON RN ARNP VICE PRESIDENT/CNO	55.00			X				313,560.	0.	65,561.
(26) STEVEN A RASMUSSEN MD MEDICAL DIRECTOR	55.00			X				544,232.	0.	71,163.
(27) JULIE FORREST MD PSYCHIATRIST	55.00					X		448,847.	0.	1,500.
(28) LAWRENCE PRICE MD CLINICAL DIRECTOR	55.00					X		400,176.	0.	1,166.
1b Sub-total ▶								3,334,442.	0.	665,820.
c Total from continuation sheets to Part VII, Section A ATTACHMENT 2 ▶								997,763.	0.	53,956.
d Total (add lines 1b and 1c) ▶								4,332,205.	0.	719,776.

DRAFT

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 106

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 21

RIDOH 1262

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 101,122.				
	d Related organizations	1d				
	e Government grants (contributions)	1e 24,232.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 921,425.				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a-1f ▶		1,046,779.			
Program Service Revenue		**Business Code**				
	2a NET PATIENT SERVICE REVENUE	541900	64,309,852.	64,309,852.		
	b OTHER HEALTHCARE RELATED REVENUE	541900	26,503,446.	26,503,446.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f ▶		90,813,298.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ATTACHMENT 5 ▶		686,558.			686,558.
	4 Income from investment of tax-exempt bond proceeds ▶		0.			
	5 Royalties ▶		0.			
		(i) Real / (ii) Personal				
	6a Gross Rents 2,137,317.					
	b Less: rental expenses 243,056.					
	c Rental income or (loss) 1,894,261.					
	d Net rental income or (loss) ▶		1,894,261.		224,021.	1,670,240.
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	3,177,392. / 250,000.				
	b Less: cost or other basis and sales expenses	3,010,406. / 18,650.				
	c Gain or (loss)	166,986. / 231,350.				
	d Net gain or (loss) ▶		398,336.			398,336.
	8a Gross income from fundraising events (not including $ 101,122. of contributions reported on line 1c) ATCH 6 See Part IV, line 18	a 29,042.				
	b Less: direct expenses	b 29,042.				
	c Net income or (loss) from fundraising events ATCH. 7. ▶		0.			
	9a Gross income from gaming activities See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities ▶		0.			
	10a Gross sales of inventory, less returns and allowances	a				
	b Less. cost of goods sold	b				
	c Net income or (loss) from sales of inventory ▶		0.			
	Miscellaneous Revenue	**Business Code**				
	11a CAFETERIA SALES	722210	482,686.			482,686.
	b GIFT SHOP SALES	453220	71,962.			71,962.
	c VENDOR SALES	900099	3,806.		2,989.	817.
	d All other revenue					
	e **Total.** Add lines 11a-11d ▶		558,454.			
	12 **Total revenue.** See instructions ▶		95,397,686.	90,813,298.	227,010.	3,310,599.

DRAFT

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	455,250.	455,250.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	3,148,573.	2,833,715.	314,858.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	46,552,466.	41,591,190.	4,621,243.	340,033.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,940,911.	1,746,820.	194,091.	
9 Other employee benefits	8,202,452.	7,326,738.	814,082.	61,632.
10 Payroll taxes	3,671,401.	3,304,261.	367,140.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	217,420.	195,678.	21,742.	
c Accounting	35,763.	32,187.	3,576.	
d Lobbying	6,044.	5,440.	604.	
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	1,872,796.	1,672,249.	185,804.	14,743.
12 Advertising and promotion	199,719.	174,101.	19,345.	6,273.
13 Office expenses	4,243,287.	3,796,691.	421,855.	24,741.
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	23,754.	21,379.	2,375.	
17 Travel	129,377.	112,330.	12,481.	4,566.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	429,729.	386,756.	42,973.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	3,324,998.	2,992,498.	332,500.	
23 Insurance	1,790,359.	1,611,323.	179,036.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a PURCHASED SERVICES	9,004,027.	8,099,955.	899,995.	4,077.
b PROVISION FOR BAD DEBT	1,796,158.	1,796,158.	0.	0.
c UTILITIES	765,888.	689,299.	76,589.	0.
d DUES & SUBSCRIPTIONS	235,428.	211,253.	23,472.	703.
e BANK FEES	44,704.	40,234.	4,470.	0.
f All other expenses	6,865,420.	6,178,878.	686,542.	
25 **Total functional expenses.** Add lines 1 through 24f	94,955,924.	85,274,383.	9,224,773.	456,768.
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

DRAFT

RIDOH 1264

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	9,737.	1	21,752.
	2	Savings and temporary cash investments	16,044,271.	2	16,361,744.
	3	Pledges and grants receivable, net	237,683.	3	557,731.
	4	Accounts receivable, net	5,069,207.	4	5,687,440.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net ATCH 8	3,222,898.	7	4,071,228.
	8	Inventories for sale or use	246,448.	8	262,561.
	9	Prepaid expenses and deferred charges	458,165.	9	471,650.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 64,478,506.			
	b	Less: accumulated depreciation — 10b: 42,663,412.	22,172,744.	10c	21,815,094.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11	26,878,222.	13	34,331,232.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	2,320,592.	15	2,639,730.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	76,659,967.	16	86,220,162.
Liabilities	17	Accounts payable and accrued expenses	10,403,530.	17	10,004,744.
	18	Grants payable		18	
	19	Deferred revenue	246,142.	19	1,210,287.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties ATCH 9	5,527,234.	23	5,231,806.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	20,577,437.	25	35,058,768.
	26	**Total liabilities.** Add lines 17 through 25	36,754,343.	26	51,505,605.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	20,287,343.	27	15,461,497.
	28	Temporarily restricted net assets	17,195,224.	28	16,823,913.
	29	Permanently restricted net assets	2,423,057.	29	2,429,147.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	39,905,624.	33	34,714,557.
	34	Total liabilities and net assets/fund balances	76,659,967.	34	86,220,162.

DRAFT

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	95,397,686.
2	Total expenses (must equal Part IX, column (A), line 25)	2	94,955,924.
3	Revenue less expenses. Subtract line 2 from line 1	3	441,762.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	39,905,624.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-5,632,829.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	34,714,557.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII X

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

DRAFT

RIDOH 1266

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
BUTLER HOSPITAL	05-0258812

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

COPY

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

DRAFT

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

DRAFT

RIDOH 1269

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

DRAFT

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

DRAFT

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	AIRWICK PROFESSIONAL PRODUCTS OF RI 56 CURTIS STREET EAST PROVIDENCE, RI 02914	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	AMICA COMPANIES FOUNDATION 100 AMICA WAY LINCOLN, RI 02865	$ 45,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	ARBELLA INSURANCE GROUP 101 ARCH STREET, SUITE 1860 BOSTON, MA 02110	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	JAMES L CARR JR 100 ROYAL LITTLE DRIVE PROVIDENCE, RI 02940	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	DAVE'S MARKETPLACE 1000 DIVISION STREET, SUITE 20 EAST GREENWICH, RI 02818	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	GILBANE BUILDING COMPANY 7 JACKSON WALKWAY PROVIDENCE, RI 02903	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1272

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	GREGORY IANNUCCILLO 65 DORMAN AVENUE NORTH PROVIDENCE, RI 02904	$ 150,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	IDA BALLOU LITTLEFIELD MEMORIAL TRUST 50 KENNEDY PLAZA, SUITE 1500 PROVIDENCE, RI 02903	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	JOHN J LUND 21 BROOK STREET #17 SEEKONK, MA 02771	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10	THE MURRAY FAMILY CHARITABLE FOUNDATION 10 WEYBOSSET STREET, SUITE 302B PROVIDENCE, RI 02903	$ 200,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
11	ROBERT G PADULA 129 LIBERTY ROAD EXETER, RI 02822	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
12	PHALANX ENGINEERING INC 28 GARDNER AVENUE CRANSTON, RI 02910-4938	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1273

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	PATRICIA R RECUPERO JD MD 37 ELMWAY STREET PROVIDENCE, RI 02906	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
14	SHANIX TECHNOLOGY INC 40 WORTHINGTON ROAD CRANSTON, RI 02920	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
15	STARKWEATHER & SHEPLEY INS BROKERAGE INC 60 CATAMORE BOULEVARD EAST PROVIDENCE, RI 02914	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
16	WARZYCHA CONSTRUCTION CO INC 51 ENFIELD STREET PAWTUCKET, RI 02861-2932	$ 15,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
17	YODER & TIDWELL LTD 333 SMITH STREET PROVIDENCE, RI 02908	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
18	PATRICIA & ARTHUR AUDETTE 7 DRUM ROCK AVENUE WARWICK, RI 02886	$ 16,560.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1274

Name of organization BUTLER HOSPITAL

Employer identification number 05-0258812

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	CADASIL TOGETHER WE HAVE HOPE 3605 MONUMENT DRIVE ROUND ROCK, TX 78681	$ 6,938.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
20	JOHN & ANNE DUFFY 2420 E. CAMINO LA ZORRELA TUCSON, AZ 85718	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
21	PETRA KLINGE C/O 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	$ 14,574.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
22	MARIA & ANTONIO CAPONE 7 ALTON ROAD PROVIDENCE, RI 02906	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
23	DANA & ANGIE QUIGLEY 2670 TECUMSEH DRIVE WEST PALM BEACH, FL 33409	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
24	THE RI FOUNDATION 1 UNION STATION PROVIDENCE, RI 02903	$ 11,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25	VIGNERON MEMORIAL FUND 225 FRANKLIN STREET, 4TH FLOOR BOSTON, MA 02110	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
26	WINTER FAMILY FOUNDATION 94 INDUSTRIAL LANE WEST WARWICK, RI 02893	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
27	STATE OF RHODE ISLAND ONE CAPITAL HILL PROVIDENCE, RI 02903	$ 24,232.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
28	DIRECT PUBLIC SUPPORT < $5,000 EACH C/O 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	$ 344,353.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
29	DIRECT FUNDRAISING SUPPORT < $5,000 EACH C/O 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	$ 6,122.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1276

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations. Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of organization	Employer identification number
BUTLER HOSPITAL	05-0258812

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

DRAFT

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

DRAFT

JSA
0E1265 0.020

7425CY U600

RIDOH 1278

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		6,044.
j	Total. Add lines 1c through 1i			6,044.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

DRAFT

RIDOH 1279

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B; LINE 1I

THE ORGANIZATION IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION ("AHA"). THE ORGANIZATION PAID $2,665 TO THE AHA AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE HEALTHCARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.AHA.ORG.

THE ORGANIZATION IS A MEMBER OF THE NATIONAL ASSOCIATION OF PSYCHIATRIC HEALTH SYSTEMS ("NAPHS"). THE ORGANIZATION PAID $900 TO THE NAPHS AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE NAPHS PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. THE NAPHS ADVOCATES FOR BEHAVIORAL HEALTH AND REPRESENTS PROVIDER SYSTEMS THAT ARE COMMITTED TO THE DELIVERY OF RESPONSIVE, ACCOUNTABLE, AND CLINICALLY EFFECTIVE TREATMENT AND PREVENTION PROGRAMS FOR CHILDREN, ADOLESCENTS, ADULTS, AND OLDER ADULTS WITH MENTAL AND SUBSTANCE ABUSE DISORDERS. THE NAPHS'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.NAPHS.ORG.

THE ORGANIZATION IS A MEMBER OF THE RI COUNCIL OF COMMUNITY MENTAL HEALTH ORGANIZATIONS, INC. ("RICCMHO"). THE ORGANIZATION PAID $2,479 TO THE RICCMHO AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE RICCMHO PROVIDES ADVOCACY AND REPRESENTATION TO ITS MEMBERS. THE PURPOSE OF THE RICCMHO'S ADVOCACY IS TO BROADEN THE BASE OF MENTAL HEALTH

DRAFT

Part IV Supplemental Information *(continued)*

AMBASSADORS IN THE RHODE ISLAND COMMUNITY. THE RICCMHO'S ADVOCACY AGENDA

CAN BE VIEWED AT THEIR WEBSITE: WWW.RICCMHO.ORG.

DRAFT

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

DRAFT

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	18,252,809.	17,008,598.	18,436,605.		
b Contributions	592,078.	225,771.	192,208.		
c Net investment earnings, gains, and losses	-230,849.	1,775,372.	-816,844.		
d Grants or scholarships					
e Other expenditures for facilities and programs	701,166.	756,932.	803,371.		
f Administrative expenses					
g End of year balance	17,912,872.	18,252,809.	17,008,598.		

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ 22.4700 %
b Permanent endowment ▶ 12.4500 %
c Term endowment ▶ 65.0800 %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i)	X
(ii) related organizations	3a(ii)	X
b If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R?	3b	

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings	4,132,336.	41,666,962.	29,637,217.	16,162,081.
c Leasehold improvements				
d Equipment	154,202.	14,337,504.	10,507,209.	3,984,497.
e Other	309,738.	3,877,763.	2,518,985.	1,668,516.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				21,815,094.

DRAFT

RIDOH 1283

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) MARKET INVESTMENT	816,698.	FMV
(2) ENDOWMENT FUNDS	13,944,405.	FMV
(3) BOARD-DESIGNATED FUNDS	3,965,894.	FMV
(4) TRUSTEE-HELD FUNDS	12,164,645.	FMV
(5) OTHER ASSETS - LT	1,793,847.	FMV
(6) INVESTMENTS	1,645,743.	FMV
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶	34,331,232.	

Part IX Other Assets. See Form 990, Part X, line 15.

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶		

Part X Other Liabilities. See Form 990, Part X, line 25.

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	
(2)	OTHER LIABILITIES	2,470,656.
(3)	PENSION LIABILITY	10,039,127.
(4)	ASSET RETIREMENT OBLIGATION	0.
(5)	DUE TO AFFILIATES	17,603,786.
(6)	DUE TO THIRD PARTY PAYORS	2,876,733.
(7)	SELF-INSURANCE RESERVES	2,068,466.
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		35,058,768.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

DRAFT

RIDOH 1284

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines 4a and 4b			4c	
5	Total revenue. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines 2a through 2d			2e	
3	Subtract line 2e from line 1			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines 4a and 4b			4c	
5	Total expenses. Add lines 3 and 4c. *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

DRAFT

Part XIV Supplemental Information *(continued)*

WORKS OF ART

FORM 990, SCHEDULE D, PART III, LINE 1A

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. AT THE TIME OF THE DONATION, THE WORKS OF ART WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND WERE HELD FOR PUBLIC EXHIBITION AND FOR PRESERVATION FOR FUTURE GENERATIONS. IN ACCORDANCE WITH STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 116, ACCOUNTING FOR CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE, THE HOSPITAL DOES NOT RECOGNIZE OR CAPITALIZE ITS COLLECTIONS FOR FINANCIAL STATEMENT PURPOSES. THE VALUE OF THE HOSPITAL'S COLLECTIONS IS NOT CONSIDERED MATERIAL TO THE HOSPITAL'S FINANCIAL STATEMENTS. THEREFORE, THE EXISTENCE OF THESE COLLECTIONS IS NOT SEPARATELY DISCLOSED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS. DURING FISCAL YEAR 2009, THE HOSPITAL'S DIRECTORS VOTED TO SELL TWO OF THE HOSPITAL'S WORKS OF ART. THESE TWO WORKS OF ART REPRESENTED APPROXIMATELY NINETY PERCENT OF THE VALUE OF THE HOSPITAL'S COLLECTION. IN APRIL 2009, THE HOSPITAL ENTERED INTO A MEMORANDUM OF UNDERSTANDING TO SELL THESE TWO WORKS OF ART TO A NEW YORK GALLERY FOR $500,000.

IN JANUARY 2010, THE SALE OF THE FIRST WORK OF ART WAS COMPLETED. DURING OCTOBER 2010 AND FISCAL YEAR 2011, THE SALE OF THE SECOND WORK OF ART WAS COMPLETED, RESULTING IN A $231,350 GAIN ON SALE OF ASSETS WHICH IS INCLUDED IN FORM 990, PART VIII, LINE 7.

DRAFT

Part XIV Supplemental Information *(continued)*

ENDOWMENT FUNDS

FORM 990, SCHEDULE D, PART V, LINE 4

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. THE WORKS OF ART INCLUDE WATERCOLORS ON PAPER AND OILS ON CANVAS BY VARIOUS ARTISTS. THE COLLECTION ALSO INCLUDES A SIMON WILLARD CLOCK. THE DONATED ITEMS WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND ARE HELD FOR CHARITABLE PURPOSES, FURTHERING THE ORGANIZATION'S EXEMPT PURPOSES. THE MOST SIGNIFICANT USES OF THE HOSPITAL'S COLLECTIONS ARE PUBLIC EXHIBITION AND THE PRESERVATION FOR FUTURE GENERATIONS. MANY OF THE OILS ON CANVAS ARE PORTRAITS OF THE ORIGINAL FOUNDERS OF THE HOSPITAL AND ARE THEREFORE, ALSO HISTORICALLY RELEVANT TO THE ORGANIZATION.

TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE

SCHEDULE D, PART X

THE ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CERTAIN CONSOLIDATING SCHEDULES.

DRAFT

Part XIV Supplemental Information *(continued)*

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE ORGANIZATION COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2011 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

DRAFT

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) NORTH AMERICA	0.	0.	PROGRAM SERVICES	RESEARCH,STUDY & CONS.	15,559.
(2) EUROPE	0.	0.	PROGRAM SERVICES	RESEARCH,STUDY & CONS.	4,099.
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	0.	0.			19,658.
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	0.	0.			19,658.

DRAFT

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)									
(2)									
(3)									
(4)									
(5)									
(6)									
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

DRAFT

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶ _____

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DRAFT

RIDOH 1291

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	☐ Yes	☒ No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	☐ Yes	☒ No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations (see Instructions for Form 5471)*	☐ Yes	☒ No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	☐ Yes	☒ No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	☐ Yes	☒ No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	☐ Yes	☒ No

DRAFT

Part V Supplemental Information
Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

SCHEDULE F, PART I; QUESTION 2

THE HOSPITAL OBTAINS AN INDEPENDENT CONTRACTOR AGREEMENT FOR ALL CONSULTANTS WORKING ON RESEARCH STUDIES. THE INDEPENDENT CONTRACTOR AGREEMENT DESCRIBES WORK TO BE PERFORMED BY THE CONSULTANT AND THE PAYMENT TERMS. THE PRINCIPAL INVESTIGATOR OF THE STUDY, A BUTLER HOSPITAL EMPLOYEE, MONITORS THE WORK PERFORMED BY THE CONSULTANT PER THE TERMS OF THE INDEPENDENT CONTRACTOR AGREEMENT. UPON SATISFACTORY COMPLETION OF THE WORK PERFORMED, THE PRINCIPAL INVESTIGATOR APPROVES PAYMENT TO THE CONSULTANT BY GENERATING A REQUEST FOR PAYMENT AND SUBMITTING THE REQUEST TO THE ACCOUNTS PAYABLE DEPARTMENT OF THE HOSPITAL.

DRAFT

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2010
Open To Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

DRAFT

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

RIDOH 1294

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 SILENT AUCTION (event type)	(c) Other Events 0. (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	97,651.	32,513.		130,164.
	2 Less: Charitable contributions	68,609.	32,513.		101,122.
	3 Gross income (line 1 minus line 2)	29,042.			29,042.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	22,799.			22,799.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	6,243.			6,243.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(29,042.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

DRAFT

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

DRAFT

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ %	X	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?		X
b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			1,884,011.	8,828.	1,875,183.	2.01
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d Total Financial Assistance and Means-Tested Government Programs			1,884,011.	8,828.	1,875,183.	2.01
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			339,014.	18,100.	320,914.	.34
f Health professions education (from Worksheet 5)			2,587,080.	763,486.	1,823,594.	1.96
g Subsidized health services (from Worksheet 6)			9,671,196.	7,834,018.	1,837,177.	1.97
h Research (from Worksheet 7)			11,812,085.	9,860,624.	1,951,461.	2.09
i Cash and in-kind contributions to community groups (from Worksheet 8)			20,146.	1,185.	18,961.	.02
j Total. Other Benefits			24,429,521.	18,477,413.	5,952,107.	6.38
k Total. Add lines 7d and 7j			26,313,532.	18,486,241.	7,827,290.	8.39

DRAFT

RIDOH 1297

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X
2	Enter the amount of the organization's bad debt expense (at cost)	2 866,192.		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3 77,957.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 13,948,045.		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 17,470,541.		
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7 -3,522,496.		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.			

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

DRAFT

RIDOH 1298

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 BUTLER HOSPITAL 345 BLACKSTONE BOULEVARD PROVIDENCE RI 02906	X			X		X			
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

DRAFT

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: BUTLER HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8 1		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	☐ A definition of the community served by the hospital facility		
b	☐ Demographics of the community		
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☐ How data was obtained		
e	☐ The health needs of the community		
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☐ The process for consulting with persons representing the community's interests		
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 __ __		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted 3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI 4		
5	Did the hospital facility make its Needs Assessment widely available to the public? 5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	☐ Hospital facility's website		
b	☐ Available upon request from the hospital facility		
c	☐ Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	☐ Execution of the implementation strategy		
c	☐ Participation in the development of a community-wide community benefit plan		
d	☐ Participation in the execution of a community-wide community benefit plan		
e	☐ Inclusion of a community benefit section in operational plans		
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	☐ Prioritization of health needs in its community		
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs 7		
Financial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? 8		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? 9		
	If "Yes," indicate the FPG family income limit for eligibility for free care: __ __ __ %		

DRAFT

RIDOH 1300

Part V Facility Information *(continued)* BUTLER HOSPITAL

		Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals? 10		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %		
11	Explained the basis for calculating amounts charged to patients? 11		
	If "Yes," indicate the factors used in determining such amounts (check all that apply):		
a	☐ Income level		
b	☐ Asset level		
c	☐ Medical indigency		
d	☐ Insurance status		
e	☐ Uninsured discount		
f	☐ Medicaid/Medicare		
g	☐ State regulation		
h	☐ Other (describe in Part VI)		
12	Explained the method for applying for financial assistance? 12		
13	Included measures to publicize the policy within the community served by the hospital facility? 13		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):		
a	☐ The policy was posted on the hospital facility's website		
b	☐ The policy was attached to billing invoices		
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	☐ The policy was posted in the hospital facility's admissions offices		
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility		
f	☐ The policy was available on request		
g	☐ Other (describe in Part VI)		

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment? 14		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:		
a	☐ Reporting to credit agency		
b	☐ Lawsuits		
c	☐ Liens on residences		
d	☐ Body attachments		
e	☐ Other actions (describe in Part VI)		
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year? 16		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):		
a	☐ Reporting to credit agency		
b	☐ Lawsuits		
c	☐ Liens on residences		
d	☐ Body attachments		
e	☐ Other actions (describe in Part VI)		
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):		
a	☐ Notified patients of the financial assistance policy on admission		
b	☐ Notified patients of the financial assistance policy prior to discharge		
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills		
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance		
e	☐ Other (describe in Part VI)		

DRAFT

Part V **Facility Information** *(continued)* BUTLER HOSPITAL

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? 18		

If "No," indicate the reasons why (check all that apply):

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility did not have a policy relating to emergency medical care
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):

- a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c ☐ The hospital facility used the Medicare rate for those services
- d ☐ Other (describe in Part VI)

20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? 20		
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient? 21		
	If "Yes," explain in Part VI.		

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ELIGIBILITY FOR DISCOUNTED CARE

SCHEDULE H, PART I, LINE 3C

NOT APPLICABLE.

COMMUNITY BENEFIT REPORT

SCHEDULE H, PART I, LINE 6A

NOT APPLICABLE.

SUBSIDIZED HEALTH SERVICES

SCHEDULE H, PART I, LINE 7G

NO COSTS RELATING TO SUBSIDIZED HEALTHCARE SERVICES ARE ATTRIBUTABLE TO ANY PHYSICIAN CLINICS.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN (F)

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $1,796,158.

FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST

SCHEDULE H, PART I, LINE 7

A COST-TO-CHARGE RATIO WAS USED, THE SOURCE BEING THE MEDICARE COST REPORT FOR FY 2011, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, BUT NOT APPROPRIATE FOR PART 1, LINE 7. E.G. REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A-8-2, ADJUSTING PENSION EXPENSE TO GAAP, ADJUSTMENTS FOR USEFUL LIVES OF CERTAIN SOFTWARE, AND REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE). WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7.

DRAFT

RIDOH 1305

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY BUILDING ACTIVITIES

SCHEDULE H, PART II

BUTLER HOSPITAL HAS DIRECT INVOLVEMENT IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT PROMOTE AND IMPROVE THE HEALTH STATUS AND GENERAL BETTERMENT OF THE COMMUNITIES SERVED BY THE HOSPITAL. THIS IS ACCOMPLISHED THROUGH SERVICE ON STATE AND REGIONAL ADVOCACY COMMITTEES AND BOARDS, VOLUNTEERISM WITH LOCAL COMMUNITY-BASED NON-PROFIT ADVOCACY GROUPS, AND PARTICIPATION IN CONFERENCES AND OTHER EDUCATIONAL ACTIVITIES TO PROMOTE UNDERSTANDING OF THE ROOT CAUSES OF HEALTH CONCERNS. THIS ORGANIZATION PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION SEMINARS AND OUTREACH SESSIONS FOR ITS PATIENTS AND FOR COMMUNITY PROVIDERS. PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BAD DEBT EXPENSE

SCHEDULE H, PART III, SECTION A, LINE 4

BAD DEBT EXPENSE WAS CALCULATED USING THE ORGANIZATION'S BAD DEBT EXPENSE FROM ITS AUDITED FINANCIAL STATEMENTS, NET OF ACCOUNTS WRITTEN OFF AT CHARGES AND MULTIPLIED BY ITS COST TO CHARGE RATIO.

THE ORGANIZATION AND ITS AFFILIATES PREPARE AND ISSUE AUDITED CONSOLIDATED FINANCIAL STATEMENTS. THE SYSTEM'S ALLOWANCE FOR DOUBTFUL ACCOUNTS (BAD DEBT EXPENSE) METHODOLOGY AND CHARITY CARE POLICIES ARE CONSISTENTLY APPLIED ACROSS ALL HOSPITAL AFFILIATES. THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION.

NET PATIENT SERVICE REVENUE

THE HOSPITALS AND THE AGENCY HAVE INDIVIDUAL AGREEMENTS WITH MANY THIRD-PARTY PAYORS THAT PROVIDE PAYMENTS AT AMOUNTS DIFFERENT FROM THEIR

DRAFT

RIDOH 1307

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER-DIEM PAYMENTS.

NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, AND INCLUDES ESTIMATED RETROACTIVE REVENUE ADJUSTMENTS DUE TO SUCH THINGS AS FUTURE AUDITS AND REVIEWS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN, OR AS YEARS ARE NO LONGER SUBJECT TO SUCH ADJUSTMENTS.

CHARITY CARE

THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CHARITY CARE POLICIES WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES. BECAUSE THE HEALTH SYSTEM DOES NOT PURSUE COLLECTION

DRAFT

RIDOH 1308

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED

AS NET PATIENT REVENUE.

MEDICARE SHORTFALL

SCHEDULE H, PART III, LINE 8

THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED

FY 2011 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED

COSTS, WHICH ARE INCLUDED IN PART I, LINE 7(F). WORKSHEET D-1, LINE 49

DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME

FROM WORKSHEET E, PART B.

BAD DEBT IS COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE

FORM 990, SCHEDULE H, PART I.

THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD

DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE

FORM 990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW, THE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS. THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") §501(C)(3).

THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER §501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN §501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED; THE PROMOTION OF SOCIAL WELFARE; AND

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE: IT DOES NOT EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC §501(C)(3) CHARITABLE ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD.

CHARITY CARE STANDARD

IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC §501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS.

COMMUNITY BENEFIT STANDARD

IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY.

DRAFT

RIDOH 1312

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS. REG. § 1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY.

THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS; AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS.

THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I.

THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION. AS OUTLINED IN THE AHA LETTER TO THE IRS DATED

DRAFT

RIDOH 1314

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS.

- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.

- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT NEGATIVE 5.4 PERCENT.

- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES."

THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT.

BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS:

DRAFT

RIDOH 1316

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOME BELOW 200% OF THE FEDERAL POVERTY LINE."

- THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE.

DRAFT

RIDOH 1317

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE; THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE.

AS OUTLINED BY THE AHA, DESPITE THE HOSPITAL'S BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES. BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULDER IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. IN ADDITION, THE HOSPITAL INVESTS SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS THAT ARE IN NEED OF FINANCIAL ASSISTANCE.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DEBT COLLECTION POLICY

SCHEDULE H, PART III, LINE 9B

BUTLER HOSPITAL DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR EXTREME MEDICAL EXPENSES.

FACILITY POLICIES AND PRACTICES

SCHEDULE H, PART V

NOT APPLICABLE.

NEEDS ASSESSMENT

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, QUESTION 2

ALL COMMUNITY BENEFIT PROGRAMS UNDERTAKEN BY THE HOSPITAL ARE ALIGNED WITH THE MISSION OF THE HOSPITAL: TO IMPROVE THE HEALTH STATUS AND WELL-BEING OF INDIVIDUALS AND FAMILIES IN ITS SERVICE AREA. RECOGNIZING THAT COMMUNITY NEEDS MAY OUTPACE RESOURCES, THE HOSPITAL CONTINUALLY REVIEWS AND EVALUATES CURRENT AND PROPOSED PROGRAMS TO ENSURE THAT PROGRAMS OFFERING THE MOST BENEFIT WILL CONTINUE TO BE SUPPORTED BY THE HOSPITAL. THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES: OBJECTIVE 1: PHYSICAL ACTIVITY, OBJECTIVE 3: TOBACCO, OBJECTIVE 4: SUBSTANCE ABUSE AND OBJECTIVE 6: MENTAL HEALTH. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, QUESTION 3

AS A NOT FOR-PROFIT ENTITY, BUTLER HOSPITAL'S FIRST CONSIDERATION IN THE ADMISSION AND PLACEMENT OR TREATMENT OF ANY PATIENT IS THE PATIENT'S MEDICAL NEEDS. SOME PATIENTS HESITATE TO OBTAIN NECESSARY CARE BECAUSE OF THEIR FINANCIAL CONCERNS. A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. ALSO, IT IS PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON THE ORGANIZATION'S WEBSITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY THE PATIENT POPULATION IN ACCORDANCE WITH THE APPLICABLE "STANDARDS FOR CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES IN HEALTHCARE" (STANDARDS 4 AND 7, BASED ON TITLE VI OF THE CIVIL RIGHTS ACT OF 1964).

COMMUNITY INFORMATION

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, QUESTION 4

BUTLER HOSPITAL'S PRIMARY SERVICE AREA CONSISTS OF A SUBURBAN POPULATION IN PROVIDENCE, RHODE ISLAND WITH A TOTAL POPULATION OF 178,042. THE AVERAGE HOUSEHOLD INCOME IS $36,925 AND 26.3 PERCENT OF THE POPULATION HAS INCOME BELOW THE POVERTY LEVEL. TWENTY FOUR HOSPITALS SERVE THE PRIMARY SERVICE AREA AND A SIGNIFICANT PERCENT OF HOSPITAL DISCHARGES ARE MEDICARE, MEDICAID AND UNINSURED PATIENTS. AS OF THE 2008 AMERICAN COMMUNITY SURVEY CONDUCTED BY THE U.S. CENSUS BUREAU, PROVIDENCE CONSISTED OF THE FOLLOWING GROUPS: 49.8% OF THE POPULATION WERE CAUCASIAN, 38.1% OF THE POPULATION WERE HISPANICS AND LATINOS OF ANY RACE AND 16% WERE BLACK OR AFRICAN AMERICAN.

PROMOTION OF COMMUNITY HEALTH

DRAFT

RIDOH 1322

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, QUESTION 5

THE ORGANIZATION AND THE ENTIRE CARE NEW ENGLAND HEALTH SYSTEM PROMOTE THE HEALTH OF THE COMMUNITY ON A DAILY BASIS THROUGHOUT THE YEAR. THE SYSTEM COORDINATES AND OFFERS NUMEROUS COMMUNITY BENEFIT PROGRAMS, ACTIVITIES AND SUPPORT GROUPS TO THE COMMUNITY. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, QUESTION 6

OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE THE CARE NEW ENGLAND HEALTH SYSTEM.

NOT FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

CARE NEW ENGLAND HEALTH SYSTEM

DRAFT

RIDOH 1323

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF THE CARE NEW ENGLAND HEALTH SYSTEM ("CNE"). THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS. THIS ORGANIZATION IS THE SOLE MEMBER OR STOCKHOLDER OF EACH AFFILIATED ENTITY. CNE IS AN INTEGRATED SYSTEM OF HEALTHCARE PROVIDERS THROUGHOUT THE STATE OF RHODE ISLAND.

CARE NEW ENGLAND HEALTH SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

AS THE PARENT ORGANIZATION, CARE NEW ENGLAND HEALTH SYSTEM STRIVES TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF RHODE ISLAND AND SURROUNDING COMMUNITIES. CARE NEW ENGLAND HEALTH SYSTEM ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES. CNE'S ACTIVE HOSPITALS INCLUDE BUTLER HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND KENT COUNTY MEMORIAL HOSPITAL. EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1. EACH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. EACH OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. EACH MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

4. CONTROL OF EACH RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF

DRAFT

RIDOH 1325

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES.

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

WOMEN & INFANTS CORPORATION IS A 247-BED AND 60-BASSINET NON-PROFIT SPECIALTY HOSPITAL FOR WOMEN AND NEWBORNS LOCATED IN PROVIDENCE, RHODE ISLAND. WOMEN & INFANTS CORPORATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, WOMEN & INFANTS CORPORATION OPERATES CONSISTENTLY WITH THE CRITERIA

DRAFT

RIDOH 1326

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OUTLINED IN IRS REVENUE RULING 69-545.

KENT COUNTY MEMORIAL HOSPITAL

WOMEN & INFANTS CORPORATION IS A 359-BED NON-PROFIT ACUTE CARE HOSPITAL LOCATED IN WARWICK, RHODE ISLAND. KENT COUNTY MEMORIAL HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, KENT COUNTY MEMORIAL HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

KENT COUNTY VISITING NURSE ASSOCIATION

KENT COUNTY VISITING NURSE ASSOCIATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §170(B)(1)(A)(VI). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

KENT HOSPITAL FOUNDATION

KENT HOSPITAL FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF KENT COUNTY MEMORIAL HOSPITAL; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

DRAFT

RIDOH 1328

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WOMEN & INFANTS DEVELOPMENT FOUNDATION

WOMEN & INFANTS DEVELOPMENT FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN & INFANTS CORPORATION

WOMEN & INFANTS CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3). THE ORGANIZATION IS THE PARENT ENTITY OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND ITS AFFILIATES, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

PALOMAR GROUP, INC.

PALOMAR GROUP, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WIH FACULTY PHYSICIANS, INC.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WIH FACULTY PHYSICIANS, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

HEALTH TOUCH, INC.

HEALTH TOUCH, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

CARRIAGE HOUSE, L.L.C. AND BUTLER HOSPITAL ALLIED MEDICAL SERVICES, L.L.C. ARE SINGLE MEMBER LIMITED LIABILITY COMPANIES OF BUTLER HOSPITAL.

DRAFT

RIDOH 1331

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

W&I INDEMNITY LTD.

AN ENTITY 100% OWNED BY WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN.

TOLL GATE INDEMNITY LTD.

AN ENTITY 100% OWNED BY KENT COUNTY MEMORIAL HOSPITAL. THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN.

STATE FILING OF COMMUNITY BENEFIT REPORT

DRAFT

RIDOH 1332

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART VI, QUESTION 7

NOT APPLICABLE. THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN RHODE ISLAND. NO COMMUNITY BENEFIT REPORT IS FILED WITH THE STATE OF RHODE ISLAND.

DRAFT

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) BROWN UNIVERSITY CONTROLLER'S OFC BOX J PROVIDENCE, RI 02912	05-0258809	501(C)(3)	455,250.				PROGRAM SUPPORT
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1.

3 Enter total number of other organizations . . . . . ▶ 0.

DRAFT

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANT FUND MONITORING

SCHEDULE I, PART I; QUESTION 2

GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE UTILIZATION OF COST CENTERS AND OTHER INFORMATION; INCLUDING WRITTEN DOCUMENTATION AND RECEIPTS.

DRAFT

RIDOH 1335

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☐ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

DRAFT

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 PATRICIA R RECUPERO JD	(i)	408,778.	147,000.	132,289.	268,747.	36,933.	993,747.	100,416.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 BONNIE BAKER CPA	(i)	275,900.	106,613.	66,256.	95,539.	26,123.	570,431.	57,385.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 WALTER DIAS	(i)	277,345.	79,317.	58,593.	91,444.	5,118.	511,817.	52,627.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 LINDA DAMON RN ARNP	(i)	228,764.	68,989.	15,807.	52,279.	13,282.	379,121.	11,846.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 STEVEN A RASMUSSEN MD	(i)	373,285.	105,891.	65,056.	54,462.	16,701.	615,395.	62,371.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 JULIE FORREST MD	(i)	447,744.	0.	1,103.	0.	1,500.	450,347.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 LAWRENCE PRICE MD	(i)	315,692.	84,484.	0.	0.	1,166.	401,342.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 MICHAEL STEIN	(i)	340,861.	0.	1,511.	0.	18,952.	361,324.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 ALVARO OLIVARES MD	(i)	331,292.	0.	0.	0.	18,252.	349,544.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 GHULAM SURTI MD	(i)	322,812.	0.	1,227.	0.	16,752.	340,851.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DRAFT

RIDOH 1337

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

PART VII AND SCHEDULE J

TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2010 FORMS W-2 AND 1099 (IF APPLICABLE).

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: PATRICIA R. RECUPERO, J.D., M.D., $100,416; BONNIE BAKER, CPA, $57,385; WALTER DIAS, $52,627; LINDA DAMON, R.N., ARNP, $11,846 AND STEVEN A. RASMUSSEN, M.D., $62,371.

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUAL INCLUDES UNVESTED BENEFITS IN A SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

DRAFT

RIDOH 1338

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

("SERP") WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUAL MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNT OUTLINED HEREIN WAS NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: PATRICIA R. RECUPERO, J.D., M.D., $138,254.

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE WAGES: PATRICIA R. RECUPERO, J.D., M.D., $92,982; BONNIE BAKER, CPA, $54,103; WALTER DIAS, $49,788; LINDA DAMON, R.N., ARNP, $25,761 AND STEVEN A. RASMUSSEN, M.D., $54,462.

DRAFT

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 6A & 6B

RIDOH 1339

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THE EXECUTIVE COMPENSATION PACKAGE FOR VARIOUS INDIVIDUALS REPORTED ON THIS FORM 990 CONSISTS OF BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE AT-RISK COMPENSATION IS COMPRISED OF BOTH SHORT-TERM AND LONG-TERM FACTORS AS FOLLOWS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL AND PATIENT SATISFACTION.

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION AND

DRAFT

RIDOH 1340

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

STRATEGIC OBJECTIVE.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 7

CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2010 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

COMPENSATION INFORMATION

SCHEDULE J, PART II; COLUMN F

THE AMOUNT REPORTED IN SCHEDULE J, PART II, COLUMN F FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG TERM INCENTIVE PLAN BECAUSE THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THIS AMOUNT WAS TREATED AS TAXABLE INCOME AND REPORTED ON EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE

DRAFT

RIDOH 1341

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

WAGES: PATRICIA R. RECUPERO, J.D., M.D., $100,416; BONNIE BAKER, CPA, $57,385; WALTER DIAS, $52,627; LINDA DAMON, R.N., ARNP, $11,846 AND STEVEN A. RASMUSSEN, M.D., $62,371. THESE AMOUNTS WERE REPORTED ON PRIOR YEAR FORMS 990 AS AT-RISK NON-TAXABLE DEFERRED COMPENSATION IN SCHEDULE J, PART II, COLUMN C.

DRAFT

RIDOH 1342

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open To Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total . . . . . ▶ $										

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

DRAFT

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	HINCKLEY, ALLEN & SNYDER, L.L.P.	PLEASE REFER TO PART V	210,964.	PROFESSIONAL SERVICES		X
(2)						
(3)						
(4)						
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

SCHEDULE L, PART IV

CHARLES R. REPPUCCI, ESQ. AND MARGARET D. FARRELL, ESQ., DIRECTORS OF THIS ORGANIZATION ARE PARTNERS IN THE LAW FIRM OF HINCKLEY, ALLEN & SNYDER, L.L.P. THIS ORGANIZATION UTILIZED THE SERVICES OF THIS FIRM DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2011. TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED $210,964. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS.

DRAFT

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No. 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2010 Open to Public Inspection

Name of the organization	Employer identification number
BUTLER HOSPITAL	05-0258812

COMMUNITY BENEFIT STATEMENT

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

BUTLER HOSPITAL ("BUTLER") IS A NON-PROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL. BUTLER IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, BUTLER PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, BUTLER OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

DRAFT

1. BUTLER PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. BUTLER OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. BUTLER MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

4. CONTROL OF BUTLER RESTS WITH ITS BOARD OF TRUSTEES AND THE BOARD OF TRUSTEES OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF

INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND ACTIVITIES.

THE OPERATIONS OF BUTLER, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THAT THE HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF BUTLER IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

DRAFT

HISTORY

=======

BUTLER IS AN AFFILIATE WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM ("CARE NEW ENGLAND"). CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF THE HEALTH SYSTEM. THIS TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS.

FOUNDED IN 1844, BUTLER IS RHODE ISLAND'S ONLY PRIVATE, NON-PROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS,

RIDOH 1346

CHILDREN, AND SENIORS.

BUTLER IS AFFILIATED WITH THE WARREN ALERT MEDICAL SCHOOL OF BROWN UNIVERSITY AND IS THE FLAGSHIP HOSPITAL FOR ITS DEPARTMENT OF PSYCHIATRY, WHICH HAS BEEN RECOGNIZED BY ITS PEERS AS ONE OF THE TOP TEN IN THE UNITED STATES.

A NATIONAL LEADER IN THE DEVELOPMENT OF ACUTE PSYCHIATRIC AND SUBSTANCE ABUSE TREATMENT, BUTLER IS INVOLVED IN A VARIETY OF RESEARCH EFFORTS WHICH HAS EARNED IT A NATIONAL REPUTATION AS A MAJOR TEACHING AND RESEARCH FACILITY.

DRAFT

CARE NEW ENGLAND HEALTH SYSTEM WAS FORMED IN FEBRUARY 1996 BY FOUNDING MEMBERS BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THESE THREE HOSPITALS ARE ALL INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS.

IN JUNE 1999, KENT COUNTY VISITING NURSE ASSOCIATION BECAME A MEMBER OF THE CARE NEW ENGLAND FAMILY, AND LATER THAT YEAR ANNOUNCED ITS NAME CHANGE TO VNA OF CARE NEW ENGLAND. IN 2000, HEALTHTOUCH, INC., A PRIVATE DUTY NURSING SERVICE, JOINED THE DIVISION. TODAY, VNA OF CARE NEW ENGLAND PROVIDES A BROAD SPECTRUM OF HOME HEALTH AND HOSPICE SERVICES.

CARE NEW ENGLAND'S STRENGTHS ARE BASED ON COMPLEMENTARY PROGRAMS AND DISTINCTIVE COMPETENCIES OF OUR PARTNER HOSPITALS AND AGENCIES. BUTLER

RIDOH 1347

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

OFFERS EXPERTISE IN BEHAVIORAL HEALTH AND SUBSTANCE ABUSE. KENT PROVIDES A FULL CADRE OF PRIMARY AND SECONDARY ACUTE CARE SERVICES. WOMEN & INFANTS SPECIALIZES IN THE HEALTH NEEDS OF WOMEN AND NEWBORN CHILDREN. VNA OF CARE NEW ENGLAND PROVIDES A SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING SERVICES. CARE NEW ENGLAND WELLNESS CENTER OFFERS AN ARRAY OF REHABILITATION, WELLNESS, FITNESS AND EDUCATIONAL PROGRAMS. AS A RESULT, CARE NEW ENGLAND IS WELL POSITIONED TO TRANSITION INTO THE NEW ERA OF HEALTHCARE DELIVERY WITH A HIGH QUALITY CONTINUUM OF CARE.

CARE NEW ENGLAND IS DEDICATED TO THE ADVANCEMENT OF MEDICAL EDUCATION AND RESEARCH. BUTLER HOSPITAL SERVES AS THE PRINCIPAL TEACHING AFFILIATE FOR PSYCHIATRY AND HUMAN BEHAVIOR FOR WARREN ALERT MEDICAL SCHOOL OF BROWN UNIVERSITY, WOMEN & INFANTS 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.

CARE NEW ENGLAND PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THE ESTABLISHED RATES. BECAUSE CARE NEW ENGLAND DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE. CHARITY CARE INCLUDES SERVICES TO UNINSURED PATIENTS WHO CARE NEW ENGLAND HAS DETERMINED QUALIFY FOR CHARITY CARE UNDER CARE NEW ENGLAND POLICIES. SERVICES TO UNINSURED PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE OR WHO CARE NEW ENGLAND WAS NOT ABLE TO DETERMINE THEIR ELIGIBILITY ARE NOT REPORTED AS

DRAFT

RIDOH 1348

CHARITY CARE BUT REPORTED IN THE PROVISION FOR BAD DEBTS.

ADDITIONALLY, CARE NEW ENGLAND SPONSORS CERTAIN OTHER PROGRAMS WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY. SUCH PROGRAMS INCLUDE SERVICES TO NEEDY POPULATIONS INCLUDING COMMUNITY SERVICE PROGRAMS AND SERVICES FOR SCHOOL-AGED CHILDREN AND THE ELDERLY. CARE NEW ENGLAND ALSO ACTIVELY SPONSORS PROGRAMS ON HEALTH EDUCATION AND WELLNESS.

CARE NEW ENGLAND MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY AND COMMUNITY SERVICE POLICIES.

DRAFT

MISSION

=======

BUTLER IS COMMITTED TO:

- PROVIDING TREATMENT FOR PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT.

- CONTRIBUTING TO KNOWLEDGE THROUGH EDUCATION AND RESEARCH.

- CONTINUOUSLY IMPROVING THE WAYS WE SERVE OUR PATIENTS AND OUR

RIDOH 1349

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

COMMUNITY.

VISION

=====

AS A MEMBER OF CARE NEW ENGLAND HEALTH SYSTEM AND BROWN UNIVERSITY TEACHING HOSPITAL, WE SHALL MAINTAIN AND ENHANCE BUTLER'S LEADERSHIP ROLE IN BEHAVIORAL HEALTH SERVICES, TEACHING AND RESEARCH. WE SHALL RESPOND TO THE DEMANDS OF THIS RAPIDLY CHANGING HEALTHCARE ENVIRONMENT THROUGHOUT RHODE ISLAND AND SOUTHEASTERN MASSACHUSETTS. WE SHALL DISTINGUISH OURSELVES BY PROVIDING INDIVIDUALS AND FAMILIES OF ALL AGES AND BACKGROUNDS WITH A FULL CONTINUUM OF QUALITY, COST-EFFECTIVE SERVICES, WHILE CONTINUING OUR COMMITMENT AS AN ACADEMIC CENTER OF EXCELLENCE.

DRAFT

VALUES

======

AT BUTLER, WE PUT THE PATIENT AND THEIR FAMILIES AT THE CENTER OF ALL WE DO. IN OUR DAY-TO-DAY INTERACTIONS WITH PATIENTS AND EACH OTHER, OUR ACTIONS AND DECISIONS ARE GUIDED BY THE FOLLOWING CORE VALUES:

- KINDNESS: WE TREAT EVERYONE WITH UNDERSTANDING AND CARING.

- EXCELLENCE: WE DEMONSTRATE UNPARALLELED QUALITY IN ALL WE DO.

RIDOH 1350

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

- NEW IDEAS: WE ENCOURAGE LIFELONG LEARNING, CONTINUAL IMPROVEMENT AND INNOVATION.

- TRUST: WE CAN BE COUNTED ON TO ALWAYS PLACE OUR PATIENTS' INTERESTS FIRST.

- COLLABORATION: WE WORK IN PARTNERSHIPS WITH THOSE AROUND US, INCLUDING OUR PATIENTS.

- ACCOUNTABILITY: WE HOLD OURSELVES ACCOUNTABLE FOR THE IMPACT OF OUR DECISIONS.

- RESPECT: WE TREAT EACH PERSON WITH DIGNITY, RESPECTING THE DIVERSE NEEDS OF THOSE WE SERVE.

- ETHICS: WE HOLD OURSELVES TO THE HIGHEST ETHICAL STANDARDS.

DRAFT

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

OVERVIEW

========

BUTLER IS THE ONLY CHILD, ADOLESCENT, AND ADULT PSYCHIATRIC TREATMENT HOSPITAL SERVING RHODE ISLAND AND SOUTHEASTERN NEW ENGLAND. IT PROVIDES ASSESSMENT AND TREATMENT FOR ALL MAJOR PSYCHIATRIC ILLNESSES AND

SUBSTANCE ABUSE. BUTLER'S INPATIENT PROGRAM HAS EIGHT TREATMENT UNITS WITH SPECIALTY PROGRAMS FOR CHILDREN, ADOLESCENTS, SENIORS, PEOPLE WITH SUBSTANCE ABUSE PROBLEMS, AND PEOPLE SUFFERING FROM MOOD AND PSYCHOTIC DISORDERS. BUTLER'S PARTIAL HOSPITAL DAY PROGRAM HAS SEPARATE PROGRAMS FOR PSYCHIATRIC DISORDERS AND SUBSTANCE ABUSE.

BUTLER IS A MEMBER OF THE CARE NEW ENGLAND HEALTH SYSTEM AND IS AFFILIATED WITH THE WARREN ALERT MEDICAL SCHOOL OF BROWN UNIVERSITY. IT IS THE FLAGSHIP HOSPITAL FOR BROWN'S DEPARTMENT OF PSYCHIATRY WHICH HAS BEEN RECOGNIZED AS ONE OF THE TOP TEN IN THE UNITED STATES. IT IS ALSO A TRAINING FACILITY FOR RESIDENTS, MEDICAL STUDENTS, INTERNS, AND STUDENTS IN ADULT PSYCHIATRY AT BROWN UNIVERSITY AS WELL AS STUDENTS AND INTERNS FROM OTHER COLLEGES AND UNIVERSITIES IN THE REGION.

DRAFT

A NATIONALLY AND INTERNATIONALLY RECOGNIZED RESEARCH CENTER, BUTLER IS AN ACTIVE PARTICIPANT IN A VARIETY OF RESEARCH INITIATIVES WHICH INCLUDE STUDIES IN MAJOR DEPRESSION, OBSESSIVE COMPULSIVE DISORDER, ALZHEIMER'S DISEASE AND OTHER MEMORY DISORDERS, DEPRESSION AND ANXIETY IN DEMENTIA CAREGIVERS, SUBSTANCE ABUSE AND FAMILY VIOLENCE, ROLE OF FORGIVENESS IN FAMILIES, SMOKING CESSATION, AND BODY DYSMORPHIC DISORDER IN CHILDREN, ADOLESCENTS, AND ADULTS.

BUTLER EMPLOYS APPROXIMATELY 850 FULL-TIME AND PART-TIME CLINICAL AND NON-CLINICAL STAFF. MORE THAN 50 VOLUNTEERS ASSIST THE STAFF IN NEARLY ALL AREAS OF THE HOSPITAL. THE BOARD OF TRUSTEES REPRESENTS A

RIDOH 1352

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

CROSS-SECTION OF THE BUSINESS COMMUNITY. CHAIRMAN OF THE BOARD IS CHARLES R. REPPUCCI, AND PRESIDENT AND CHIEF EXECUTIVE OFFICER IS PATRICIA RYAN RECUPERO, JD, MD.

AS A REGIONAL CENTER IN PSYCHIATRY, BUTLER PROVIDES SERVICES TO PEOPLE DEALING WITH A WIDE RANGE OF PSYCHIATRIC AND SUBSTANCE ABUSE PROBLEMS INCLUDING BUT NOT LIMITED TO:

- DEPRESSION
- MANIC DEPRESSIVE ILLNESS
- SUICIDAL BEHAVIOR
- ALCOHOL AND SUBSTANCE ABUSE
- PSYCHOTIC DISORDERS
- OBSESSIVE COMPULSIVE DISORDER
- BODY DYSMORPHIC DISORDER
- MEMORY DISORDERS
- ALZHEIMER'S DISEASE
- EATING DISORDERS
- ANXIETY DISORDERS

DRAFT

COMPREHENSIVE SERVICES

BUTLER PROVIDES COMPREHENSIVE PSYCHIATRIC EVALUATIONS AND TREATMENT IN THREE PRIMARY SETTINGS:

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

- INPATIENT PROGRAM

- PARTIAL HOSPITAL PROGRAM

- ALCOHOL & DRUG TREATMENT SERVICES (ADTS)

LIMITED OUTPATIENT TREATMENT MAY BE AVAILABLE IN THE FOLLOWING PROGRAMS:

- SENIOR TREATMENT PROGRAM

- CULTURAL PSYCHIATRY PROGRAM (HISPANIC AND PORTUGUESE)

- VARIOUS RESEARCH PROGRAMS

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 2

CHARLES R. REPPUCCI, ESQ. AND MARGARET D. FARRELL, ESQ. - BUSINESS RELATIONSHIP.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 3

THE HOSPITAL ENGAGES SODEXHO MANAGEMENT, INC. TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO SODEXHO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD AND NUTRITION DEPARTMENT. THE SODEXHO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS

DRAFT

RIDOH 1354

TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTIONS 6 & 7

CARE NEW ENGLAND HEALTH SYSTEM ("CNE") IS THE SOLE MEMBER OF THIS ORGANIZATION. CNE HAS THE ULTIMATE AUTHORITY TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. CARE NEW ENGLAND HEALTH SYSTEM IS THE PARENT ENTITY OF THE SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE IRS. IN ADDITION THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE ALSO PERFORMED A REVIEW OF THE FEDERAL FORM 990 PRIOR TO MAKING IT AVAILABLE TO EACH VOTING MEMBER OF ITS BOARD OF DIRECTORS. THE CARE NEW ENGLAND HEALTH SYSTEM BOARD OF DIRECTORS HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE SYSTEM.

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S DIRECTOR OF ACCOUNTING AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING, BUT NOT LIMITED TO, THE INDIVIDUAL OUTLINED ABOVE, FOR HER REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE. FOLLOWING THE FINANCE COMMITTEE'S REVIEW THE FINAL FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING WITH THE IRS.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY

RIDOH 1356

MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES ANNUALLY. IF A DIRECTOR DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE DIRECTOR'S POTENTIAL CONFLICT IS REFERRED TO THE BOARD OR THE COMMITTEE, WHICH EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE DIRECTOR'S PARTICIPATION ON THE BOARD OR ON CERTAIN ISSUES THAT MAY COME BEFORE THE BOARD. AFTER CONSULTATION WITH COUNSEL, THE COMMITTEE WILL TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 15

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. IN ADDITION, THE COMMITTEE IS ALSO RESPONSIBLE FOR DISCHARGING THE BUTLER HOSPITAL'S BOARD OF DIRCTORS RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR BUTLER HOSPITAL EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THIS ORGANIZATION TO RECEIVE

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE BUTLER HOSPITAL SENIOR MANAGEMENT TEAM, INCLUDING, BUT NOT LIMITED TO, THE BUTLER HOSPITAL PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT;

2. THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION; AND

3. THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION.

DRAFT

THE COMMITTEE IS COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM ARE INDEPENDENT, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT COUNTY MEMORIAL HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, BUTLER HOSPITAL AND THE KENT COUNTY VNA) AS WELL AS FROM THE CNE BOARD, SERVE ON THE COMMITTEE. THE CNE PRESIDENT/CHIEF EXECUTIVE OFFICER PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE

RIDOH 1358

COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT/CHIEF EXECUTIVE OFFICER.

THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA; SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES. THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILARLY SIZED HEALTHCARE SYSTEMS AND HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE.

THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED.

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN BUTLER HOSPITAL SENIOR MANAGEMENT PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE BUTLER HOSPITAL PRESIDENT/CHIEF EXECUTIVE OFFICER, CHIEF FINANCIAL OFFICER AND CHIEF OPERATING OFFICER. THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY EITHER THE COMPENSATION COMMITTEES OF KENT COUNTY MEMORIAL HOSPITAL OR WOMEN & INFANTS HOSPITAL OF RHODE ISLAND OR BY BUTLER HOSPITAL'S PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION C; QUESTION 19

THE ORGANIZATION HAS BEEN ALLOCATED A PORTION OF TAX-EXEMPT BONDS (THROUGH ITS TAX-EXEMPT PARENT CARE NEW ENGLAND HEALTH SYSTEM) TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. THE ORGANIZATION HAS REFLECTED THIS AMOUNT AS A DUE TO AFFILIATE LIABILITY ON ITS BALANCE SHEET. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE SYSTEM'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF RHODE ISLAND SECRETARY OF STATE.

DRAFT

COMPENSATION INFORMATION DISCLOSURE

CORE FORM, PART VII AND SCHEDULE J

PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS

RIDOH 1360

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME OR PART-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS.

OTHER CHANGES IN FUND BALANCE

CORE FORM, PART XI; LINE 5

OTHER CHANGES IN FUND BALANCE INCLUDE:

NET PAYMENTS ON INTEREST RATE SWAPS; ($138,416);

CHANGE IN NET UNREALIZED LOSSES ON INVESTMENTS; ($354,523);

NONOPERATING EXPENDITURES; ($321,469);

PENSION AND POSTRETIREMENT ADJUSTMENT; ($3,118,755);

NET ASSETS RELEASED FROM RESTRICTIONS USED FOR PURCHASE OF PROPERTY, PLANT AND EQUIPMENT; $351,935;

TRANSFERS; ($8,618);

TRANSFER TO DEFERRED REVENUE; ($807,390);

NET UNREALIZED LOSSES FROM INVESTMENTS; (368,517); AND

NET ASSETS RELEASED FROM RESTRICTIONS; ($867,076).

AUDITED FINANCIAL STATEMENTS

CORE FORM, PART XII; QUESTION 2

THIS ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY ENTITY. AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM. CARE NEW ENGLAND HEALTH SYSTEM'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

FINANCIAL STATEMENTS AND REPORTING
CORE FORM, PART XII; QUESTION 3

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"). THE SYSTEM ENGAGES AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A SYSTEM WIDE CONSOLIDATED A-133 AUDIT. THIS ORGANIZATION WAS INCLUDED IN THE SYSTEM WIDE A-133 AUDIT.

DRAFT

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

TO PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT AND TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE CONTINUOUSLY IMPROVING THE WAYS THE HOSPITAL SERVICES ITS PATIENTS AND THE COMMUNITY. PLEASE REFER TO SCHEDULE O FOR THE

RIDOH 1362

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

ATTACHMENT 1 (CONT'D)

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

ATTACHMENT 2

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES,
KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES
(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

(A) NAME AND TITLE	(B) HOURS	(C) POSITION (1)(2)(3)(4)(5)(6)	(D) COMPENSATION FROM ORG.	(E) REL. ORG.	(F) OTHER
29 MICHAEL STEIN DIRECTOR	55.00	X	342,372.	0.	18,952.
30 ALVARO OLIVARES MD UNIT CHIEF	55.00	X	331,292.	0.	18,252.
31 GHULAM SURTI MD UNIT CHIEF	55.00	X	324,099.	0.	16,752.

DRAFT

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
CHARLES R REPPUCCI ESQ CHAIR - DIRECTOR	1.00
ALLEN H CICCHITELLI VICE CHAIR - DIRECTOR	1.00
STANLEY M ARONSON MD VICE CHAIR - DIRECTOR	0.00
KEKIN A SHAH SECRETARY - DIRECTOR	0.00
ROBERT G PADULA TREASURER - DIRECTOR	0.00
PHYLLIS C FIELD ASST SECRETARY - DIRECTOR	1.00
DEAN T HOLT ASST TREASURER - DIRECTOR	1.00
WILLIAM J ALLEN DIRECTOR	0.00
EARL D CHAMBERS DIRECTOR	2.00
ROBERT E DEBLOIS DIRECTOR	0.00
MARGARET D FARRELL ESQ DIRECTOR	3.00
MICHAEL A FIORI MD	

RIDOH 1363

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 3 (CONT'D)

DIRECTOR - PRESIDENT MED STAFF	1.00
MICHAEL FOLLICK PHD	
DIRECTOR	0.00
RABBI LESLIE Y GUTTERMAN	
DIRECTOR	0.00
DENNIS B LANGLEY	
DIRECTOR	0.00
DIANE LIPSCOMBE PHD	
DIRECTOR	0.00
LEWIS P LIPSITT PHD	
DIRECTOR	0.00
MICHAEL M MATONE	
DIRECTOR	0.00
MARY B OLENN	
DIRECTOR	0.00
PATRICIA R RECUPERO JD MD	
DIRECTOR - PRESIDENT/CEO	1.00
ARTHUR S ROBBINS	
DIRECTOR	0.00
GARY R ST PETER ESQ	
DIRECTOR	0.00
BONNIE BAKER CPA	
VICE PRESIDENT FINANCE/CFO	0.00
WALTER DIAS	
VICE PRESIDENT/COO	0.00
LINDA DAMON RN ARNP	
VICE PRESIDENT/CNO	0.00
STEVEN A RASMUSSEN MD	
MEDICAL DIRECTOR	1.00
JULIE FORREST MD	
PSYCHIATRIST	0.00
LAWRENCE PRICE MD	
CLINICAL DIRECTOR	0.00
MICHAEL STEIN	
DIRECTOR	0.00
ALVARO OLIVARES MD	
UNIT CHIEF	0.00
GHULAM SURTI MD	
UNIT CHIEF	0.00

DRAFT

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
BROWN UNIVERSITY 24 CHARLESFIELD ST., BOX T PROVIDENCE, RI 02912	MEDICAL SERVICES	1,625,777.

RIDOH 1364

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

ATTACHMENT 4 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
RHODE ISLAND HOSPITAL 1 HOPPIN STREET PROVIDENCE, RI 02903	MEDICAL SERVICES	436,543.
SODEXO INC. & AFFILIATES P.O. BOX 81049 WOBURN, MA 01813	PROF. SERVICES	329,217.
BOSTON MEDICAL CENTER 38 EAST NEWTON STREET BOSTON, MA 02118	MEDICAL SERVICES	263,076.
WARZYCHA CONSTRUCTION CO., INC. 51 ENFIELD STREET PAWTUCKET, RI 02861	CONSTRUCTION	240,995.
	TOTAL COMPENSATION	2,895,608.

DRAFT

ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST & DIVIDEND INCOME	653,559.			653,559.
INVESTMENT INCOME - TEMP. RESTRICTED	197,215.			197,215.
INVESTMENT INCOME	180,301.			180,301.
NET INVESTMENT LOSSES	-344,517.			-344,517.
TOTALS	686,558.			686,558.

ATTACHMENT 6

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
GOLF TOURNAMENT	68,609.

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 6 (CONT'D)

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
SILENT AUCTION	32,513.
TOTAL	101,122.

ATTACHMENT 7

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES	NET INCOME
GOLF TOURNAMENT	29,042.	29,042.	
SILENT AUCTION	0.	0.	0.
TOTALS	29,042.	29,042.	0.

DRAFT

ATTACHMENT 8

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: DUE FROM AFFILIATES

BEGINNING BALANCE DUE	3,222,898.
ENDING BALANCE DUE	4,071,228.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE	3,222,898.
TOTAL ENDING NOTES AND LOANS RECEIVABLES	4,071,228.

ATTACHMENT 9

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER:	TIME INSURANCE COMPANY
ORIGINAL AMOUNT:	4,000,000.
INTEREST RATE:	5.790000
DATE OF NOTE:	10/01/2007
MATURITY DATE:	09/01/2027
REPAYMENT TERMS:	MONTHLY PAYMENTS OF $25,261
SECURITY PROVIDED:	REAL ESTATE
PURPOSE OF LOAN:	MORTGAGE NOTE

RIDOH 1366

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 9 (CONT'D)

BEGINNING BALANCE DUE	3,759,163.
ENDING BALANCE DUE	3,671,380.

LENDER: CARE FUSION
ORIGINAL AMOUNT: 12,244.
INTEREST RATE: 6.750000
DATE OF NOTE: 07/01/2011
MATURITY DATE: 07/01/2016
REPAYMENT TERMS: MONTHLY PAYMENTS OF $241
PURPOSE OF LOAN: MED STATION

BEGINNING BALANCE DUE	0.
ENDING BALANCE DUE	11,899.

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 9 (CONT'D)

LENDER: CARE FUSION
ORIGINAL AMOUNT: 474,748.
INTEREST RATE: 6.500000
DATE OF NOTE: 10/01/2009
MATURITY DATE: 10/01/2014
REPAYMENT TERMS: MONTHLY PAYMENTS OF $9,289
PURPOSE OF LOAN: MED STATION

BEGINNING BALANCE DUE	398,823.
ENDING BALANCE DUE	310,682.

LENDER: HARBOR GROUP HOME, LLC
ORIGINAL AMOUNT: 1,230,000.
INTEREST RATE: 15.300000
DATE OF NOTE: 09/08/2001
MATURITY DATE: 10/08/2021
REPAYMENT TERMS: MONTHLY PAYMENTS OF $18,479
PURPOSE OF LOAN: GROUND LEASE

BEGINNING BALANCE DUE	1,250,817.
ENDING BALANCE DUE	1,237,845.

DRAFT

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 9 (CONT'D)

LENDER: RHODE ISLAND HEALTH & EDUC BLDG CORP
ORIGINAL AMOUNT: 1,300,000.
INTEREST RATE: 3.330000
DATE OF NOTE: 12/29/2004
MATURITY DATE: 12/29/2010
REPAYMENT TERMS: SEMIANNUAL PAYMENTS OF $120,401.22
SECURITY PROVIDED: EQUIPMENT
PURPOSE OF LOAN: EQUIPMENT LEASE

BEGINNING BALANCE DUE	118,431.
ENDING BALANCE DUE	0.
TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	5,527,234.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	5,231,806.

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) CARRIAGE HOUSE, LLC 20-8277056 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	RENTAL ESTATE	RI	775,504.	3,760,667.	BUTLER HOSP.
(2) BUTLER HOSPITAL ALLIED MEDICAL SVCS LLC 45-3034297 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HEALTHCARE	RI	0.	0.	BUTLER HOSP.
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HEALTHCARE	RI	501(C)(3)	509(A)(3)	N/A		X
(2) WOMEN AND INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	CNE		X
(3) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(1)	WIC		X
(4) WOMEN AND INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	WIC		X
(5) PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC.	RI	501(C)(3)	509(A)(2)	WIC		X
(6) WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTHCARE	MA	501(C)(3)	509(A)(2)	WIH		X
(7) KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE		X

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	509(A)(3)	KCMH		X
(2) KENT COUNTY VNA D/B/A VNA OF CNE 05-0242659 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	170B1AVI	CNE		X
(3) HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	509(A)(2)	KCVNA		X
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 1371

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)	TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(2)	W & I INDEMNITY, LTD. 98-0159342 23 LIME TREE AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(3)								
(4)								
(5)								
(6)								
(7)								

DRAFT

RIDOH 1372

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity		X
b	Gift, grant, or capital contribution to other organization(s)		X
c	Gift, grant, or capital contribution from other organization(s)	X	
d	Loans or loan guarantees to or for other organization(s)	X	
e	Loans or loan guarantees by other organization(s)	X	
f	Sale of assets to other organization(s)		X
g	Purchase of assets from other organization(s)		X
h	Exchange of assets		X
i	Lease of facilities, equipment, or other assets to other organization(s)		X
j	Lease of facilities, equipment, or other assets from other organization(s)		X
k	Performance of services or membership or fundraising solicitations for other organization(s)		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	X	
m	Sharing of facilities, equipment, mailing lists, or other assets	X	
n	Sharing of paid employees	X	
o	Reimbursement paid to other organization for expenses	X	
p	Reimbursement paid by other organization for expenses	X	
q	Other transfer of cash or property to other organization(s)		X
r	Other transfer of cash or property from other organization(s)		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

DRAFT

RIDOH 1373

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

DRAFT

RIDOH 1374

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

DRAFT

0E7000 1 000

RENT AND ROYALTY INCOME

Taxpayer's Name	Identifying Number
BUTLER HOSPITAL	05-0258812

DESCRIPTION OF PROPERTY
RENTAL INCOME

	Yes		No	Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME		
OTHER INCOME		
RENTAL INCOME	2,137,317.	
TOTAL GROSS INCOME		2,137,317.
OTHER EXPENSES:		
SEE ATTACHMENT		
DEPRECIATION (SHOWN BELOW)		
LESS: Beneficiary's Portion		
AMORTIZATION		
LESS: Beneficiary's Portion		
DEPLETION		
LESS: Beneficiary's Portion		
TOTAL EXPENSES		243,056.
TOTAL RENT OR ROYALTY INCOME (LOSS)		1,894,261.
Less Amount to		
Rent or Royalty		
Depreciation		
Depletion		
Investment Interest Expense		
Other Expenses		
Net Income (Loss) to Others		
Net Rent or Royalty Income (Loss)		1,894,261.
Deductible Rental Loss (if Applicable)		

DRAFT

SCHEDULE FOR DEPRECIATION CLAIMED

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des	(e) Bus. %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
JSA **Totals**									

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

RENTAL INCOME	2,137,317.
	2,137,317.

OTHER DEDUCTIONS

CLEANING	101,819.
UTILITIES	76,720.
OTHER EXPENSES	64,517.
	243,056.

DRAFT

RENT AND ROYALTY SUMMARY

PROPERTY	TOTAL INCOME	DEPLETION/ DEPRECIATION	OTHER EXPENSES	ALLOWABLE NET INCOME
RENTAL INCOME	2,137,317.		243,056.	1,894,261.
TOTALS	2,137,317.		243,056.	1,894,261.

DRAFT

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No 1545-0092

2010

Name of estate or trust

BUTLER HOSPITAL

Employer identification number

05-0258812

Note: *Form 5227 filers need to complete* ***only*** *Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	166,986.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	166,986.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo , day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	

DRAFT

Part III Summary of Parts I and II Caution: *Read the instructions* ***before*** *completing this part.*		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13 **Net short-term gain or (loss)**	13			166,986.
14 **Net long-term gain or (loss):**				
a Total for year	14a			
b Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			166,986.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet*** *as necessary.*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of:
a The loss on line 15, column (3) **or** b $3,000 . . . . . 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover.*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero.

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if:*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17 Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34) 17

18 Enter the **smaller** of line 14a or 15 in column (2) but not less than zero 18

19 Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T) . . 19

20 Add lines 18 and 19 20

21 If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶ 21

22 Subtract line 21 from line 20. If zero or less, enter -0- 22

23 Subtract line 22 from line 17. If zero or less, enter -0- 23

24 Enter the **smaller** of the amount on line 17 or $2,300 24

25 Is the amount on line 23 equal to or more than the amount on line 24?
☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box.
☐ **No.** Enter the amount from line 23 25

26 Subtract line 25 from line 24 26

27 Are the amounts on lines 22 and 26 the same?
☐ **Yes.** Skip lines 27 thru 30; go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22 27

28 Enter the amount from line 26 (If line 26 is blank, enter -0-) 28

29 Subtract line 28 from line 27 29

30 Multiply line 29 by 15% (.15) 30

31 Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) 31

32 Add lines 30 and 31 32

33 Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041) 33

34 **Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36) 34

DRAFT

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2010

Attachment Sequence No **27**

Name(s) shown on return

BUTLER HOSPITAL

Identifying number

05-0258812

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3	Gain, if any, from Form 4684, line 42	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6 Enter the gain or (loss) here and on the appropriate line as follows:	7	
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below		
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.		
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7. If zero or less, enter -0-. If line 9 is zero, enter the gain from line 7 on line 12 below If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9	

Part II Ordinary Gains and Losses (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

ATTACHMENT 1						231,350.

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	231,350.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below For individual returns, complete lines a and b below		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

DRAFT

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo , day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20 Gross sales pnce (**Note:** *See line 1 before completing.*)	20				
21 Cost or other basis plus expense of sale	21				
22 Depreciation (or depletion) allowed or allowable	22				
23 Adjusted basis. Subtract line 22 from line 21	23				
24 Total gain. Subtract line 23 from line 20	24				
25 **If section 1245 property:**					
a Depreciation allowed or allowable from line 22	25a				
b Enter the **smaller** of line 24 or 25a	25b				
26 **If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a Additional depreciation after 1975 (see instructions)	26a				
b Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d Additional depreciation after 1969 and before 1976	26d				
e Enter the **smaller** of line 26c or 26d	26e				
f Section 291 amount (corporations only)	26f				
g Add lines 26b, 26e, and 26f	26g				
27 **If section 1252 property:** Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a Soil, water, and land clearing expenses	27a				
b Line 27a multiplied by applicable percentage (see instructions)	27b				
c Enter the **smaller** of line 24 or 27b	27c				
28 **If section 1254 property:**					
a Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b Enter the **smaller** of line 24 or 28a	28b				
29 **If section 1255 property:**					
a Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b Enter the **smaller** of line 24 or 29a (see instructions)	29b				

DRAFT

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b Enter here and on line 13	31	
32	Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

			(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33		
34	Recomputed depreciation (see instructions)	34		
35	Recapture amount. Subtract line 34 from line 33 See the instructions for where to report	35		

BUTLER HOSPITAL

Supplement to Form 4797 Part II Detail

05-0258812

ATTACHMENT 1

Description	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed or Allowable	Cost or Other Basis	Gain or (Loss) for entire year
SALE OF ARTWORK			250,000.		18,650.	231,350.

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS *e-file* Signature Authorization for an Exempt Organization

For calendar year 2010, or fiscal year beginning 10/01 , 2010, and ending 09/30 , 20 11

▶ **Do not send to the IRS. Keep for your records.**

▶ **See instructions on back.**

OMB No. 1545-1878

2010

Name of exempt organization

BUTLER HOSPITAL

Name and title of officer

Employer identification number

05-0258812

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-E0 and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a	**Form 990** check here ▶ [X]	b **Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	1b 95397686.
2a	**Form 990-EZ** check here ▶ [ ]	b **Total revenue,** if any (Form 990-EZ, line 9)	2b
3a	**Form 1120-POL** check here ▶ [ ]	b Total tax (Form 1120-POL, line 22)	3b
4a	**Form 990-PF** check here ▶ [ ]	b **Tax based on investment income** (Form 990-PF, Part VI, line 5)	4b
5a	**Form 8868** check here ▶ [ ]	b **Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	5b

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize WITHUMSMITH+BROWN, PC to enter my PIN 5 8 8 1 2 as my signature

ERO firm name

Enter five numbers, but do not enter all zeros

on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ [signature], Sr. VP Finance Date ▶ 8/7/12

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

2 2 0 0 6 2 0 7 9 6 0

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions
Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form. Form **8879-EO** (2010)

JSA

0E1676 2.000 425CY U600

RIDOH 1384

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990-T** Department of the Treasury Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2010 or other tax year beginning 10/01, 2010, and ending 09/30, 2011. ▶ See separate instructions.

OMB No. 1545-0687

2010

Open to Public Inspection for 501(c)(3) Organizations Only

A [ ] Check box if address changed

B Exempt under section
[X] 501(C)(3)
[ ] 408(e) [ ] 220(e)
[ ] 408A [ ] 530(a)
[ ] 529(a)

C Book value of all assets at end of year: 86,220,162.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.): BUTLER HOSPITAL

Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.: 345 BLACKSTONE BOULEVARD

City or town, state, and ZIP code: PROVIDENCE, RI 02906

D Employer identification number (Employees' trust, see instructions for Block D on page 9.): 05-0258812

E Unrelated business activity codes (See instructions for Block E on page 9.): 531120 532000

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ RENTAL REAL ESTATE AND RENTAL SERVICES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ [X] Yes [ ] No

If "Yes," enter the name and identifying number of the parent corporation. ▶ ATTACHMENT 1

J The books are in care of ▶ BONNIE BAKER, CPA Telephone number ▶ (401) 681-1150

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales / b Less returns and allowances / c Balance ▶	1c			
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3			
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5	-13,178.	ATCH 2	-13,178.
6 Rent income (Schedule C)	6	64,563.	70,021.	-5,458.
7 Unrelated debt-financed income (Schedule E)	7	744,839.	502,182.	242,657.
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See page 10 of the instructions; attach schedule.)	12	2,989.	ATCH 3	2,989.
13 Total. Combine lines 3 through 12	13	799,213.	572,203.	227,010.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14 Compensation of officers, directors, and trustees (Schedule K)	14		
15 Salaries and wages	15	24,452.	
16 Repairs and maintenance	16		
17 Bad debts	17		
18 Interest (attach schedule)	18		
19 Taxes and licenses	19		
20 Charitable contributions (See page 13 of the instructions for limitation rules.)	20	19,196.	
21 Depreciation (attach Form 4562) — 21: 0.	22a		
22 Less depreciation claimed on Schedule A and elsewhere on return	22b	0.	
23 Depletion	23		
24 Contributions to deferred compensation plans	24		
25 Employee benefit programs	25	7,570.	
26 Excess exempt expenses (Schedule I)	26		
27 Excess readership costs (Schedule J)	27		
28 Other deductions (attach schedule) ATTACHMENT 4	28	3,029.	
29 **Total deductions.** Add lines 14 through 28	29	54,247.	
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13	30	172,763.	
31 Net operating loss deduction (limited to the amount on line 30)	31		
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30	32	172,763.	
33 Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)	33	1,000.	
34 **Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32	34	171,763.	

RIDOH 1386

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 25,000. (2) $ 12,500. (3) $ 134,263.		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $		
	(2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ATCH 5 ▶	35c	52,524.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	52,524.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 16 of the instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	52,524.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	52,524.
44a	Payments: A 2009 overpayment credited to 2010	44a			
b	2010 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c	100,000.		
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	100,000.
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ [ ]			46	1,595.
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	0.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	45,881.
49	Enter the amount of line 48 you want: **Credited to 2011 estimated tax** ▶ 45,881. **Refunded** ▶			49	

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

		Yes	No
1	At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22 1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0.		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No
b	Other costs (attach schedule)	4b					X
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ [signature] 8/9/12 ▶ Sr.VP Finance

Signature of officer — Date — Title

May the IRS discuss this return with the preparer shown below (see instructions)? [X] Yes [ ] No

Paid Preparer Use Only

Print/Type preparer's name Scott Marinelli	Preparer's signature [signature]	Date 8/6/2012	Check [ ] if self-employed PTIN P00642486
Firm's name ▶ WITHUMSMITH+BROWN, PC			Firm's EIN ▶ 22-2027092
Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497			Phone no. 973-898-9494

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 18)

1. Description of property

(1) 345 BLACKSTONE BLVD - CLINICIAN OFFICES
(2) 345 BLACKSTONE BLVD - RAY HALL
(3) 353 & 355 BLACKSTONE BLVD
(4)

2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	ATTACHMENT 6
(1)	48,694.	55,777.
(2)	3,869.	2,058.
(3)	12,000.	12,186.
(4)		
Total	Total 64,563.	(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶ 70,021.

(c) Total income. Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶ 64,563.

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) ATTACHMENT 9			
(2)			
(3)			
(4)			

4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶			744,839.	502,182.
Total dividends-received deductions included in column 8 ▶				

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				

RIDOH 1388

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

ATTACHMENT 1

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND HEALTH SYSTEM 05-0490997

ATTACHMENT 2

FORM 990T - LINE 5 -INCOME (LOSS) FROM PARTNERSHIPS

ENGERGY TRANSFER PARTNERS, L.P.	-13,178.
INCOME (LOSS) FROM PARTNERSHIPS	-13,178.

ATTACHMENT 3

PART I - LINE 12 - OTHER INCOME

COMMISSIONS - VENDOR SALES	2,989.
PART I - LINE 12 - OTHER INCOME	2,989.

ATTACHMENT 4

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

TAX RETURN PREP FEE	2,625.
OTHER EXPENSES	404.
PART II - LINE 28 - OTHER DEDUCTIONS	3,029.

FORM 990T - ORGANIZATIONS TAXABLE AS CORPORATIONS - TAX COMPUTATION

1	TAXABLE INCOME FROM LINE 34, PAGE 1, 990-T	171,763.
2	LINE 1 OR THE CORPORATION'S SHARE OF THE $50,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	25,000.
3	SUBTRACT LINE 2 FROM LINE 1	146,763.
4	LINE 3 OR THE CORPORATION'S SHARE OF THE $25,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	12,500.
5	SUBTRACT LINE 4 FROM LINE 3	134,263.
6	LINE 5 OR THE CORPORATION'S SHARE OF THE $9,925,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	134,263.
7	SUBTRACT LINE 6 FROM LINE 5	
8	ENTER 15% OF LINE 2	3,750.
9	ENTER 25% OF LINE 4	3,125.
10	ENTER 34% OF LINE 6	45,649.
11	ENTER 35% OF LINE 7	
12	MEMBER'S SHARE OF ADDITIONAL TAX: (A) 5% OF THE EXCESS OVER $100,000 OR (B) $11,750	
13	MEMBER'S SHARE OF ADDITONAL TAX: (A) 3% OF THE EXCESS OVER $15 MILLION OR (B) $100,000	
14	TOTAL OF LINES 8 THROUGH 13. ENTER THIS AMOUNT ON LINE 35C, PAGE 2, 990-T	52,524.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 6

345 BLACKSTONE BLVD - CLINICIAN OFFICES

SALARIES & WAGES	28,019.
EMPLOYEE BENEFITS	8,851.
OTHER EXPENSES	11,147.
DEPRECIATION	1,134.
ADMINISTRATIVE & GENERAL	6,626.
TOTAL	55,777.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 7

345 BLACKSTONE BLVD - RAY HALL

SALARIES & WAGES	639.
EMPLOYEE BENEFITS	202.
OTHER EXPENSES	974.
ADMINISTRATIVE & GENERAL	243.
TOTAL	2,058.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 8

353 & 355 BLACKSTONE BLVD

SALARIES & WAGES	319.
EMPLOYEE BENEFITS	101.
OTHER EXPENSES	10,318.
ADMINISTRATIVE & GENERAL	1,448.
TOTAL	12,186.

BUTLER HOSPITAL

05-0258812

SCHEDULE E - UNRELATED DEBT-FINANCED INCOME

ATTACHMENT 9

1. DESCRIPTION OF DEBT-FINANCED PROPERTY	2. GROSS INCOME	3. DEDUCTIONS DIRECTLY CONNECTED (3A)	(3B)	4. AVERAGE ACQUISITION DEBT	5. AVERAGE ADJUSTED BASIS	6. % 4 IS OF 5	7. GROSS INCOME REPORTABLE (2 X 6)	8. ALLOCABLE DEDUCTIONS 6 * (3A + 3B)
MEDICAL OFFICE BUILDING - CARRIAGE HOUSE	772,695.	151,492.	369,471.	3,715,271.	3,854,224.	96.395	744,839.	502,182.
TOTALS							744,839.	502,182.

RIDOH 1398

SCHEDULE O (Form 1120)

Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

2011

Name

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I Apportionment Plan Information

1 Type of controlled group:

a [ ] Parent-subsidiary group
b [ ] Brother-sister group
c [X] Combined group
d [ ] Life insurance companies only

2 This corporation has been a member of this group:

a [X] For the entire year.
b [ ] From _____ , until _____ .

3 This corporation consents and represents to:

a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2010 , and for all succeeding tax years.
c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____ , and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

a [ ] Elected by the component members of the group.
b [ ] Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

a [ ] No apportionment plan is in effect and none is being adopted.
b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

a [X] Yes.
(i) [X] The statute of limitations for this year will expire on 08/15/2014 .
(ii) [ ] On _____ , this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
b [ ] No. The members may not adopt or amend an apportionment plan.

7 Required information and elections for component members. Check the applicable box(es) (see instructions).

a [ ] The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1).
c [ ] The corporation has a short tax year that does not include December 31.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket				
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	05-0258937	2011-09	NONE	NONE	NONE		NONE
2 BUTLER HOSPITAL	05-0258812	2011-09	25,000	12,500	134,263		171,763
3 KENT COUNTY MEMORIAL HOSPITAL	05-0258896	2011-09	NONE	NONE	NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total			25,000	12,500	134,263		171,763

JSA
1C1014 2.000

RIDOH 1400

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	NONE	NONE	NONE	NONE	NONE		NONE
2 BUTLER HOSPITAL	3,750	3,125	45,649	NONE	NONE		52,524
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	NONE	NONE	NONE	NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total	3,750	3,125	45,649				52,524

RIDOH 1401

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	NONE	NONE	NONE		
2 BUTLER HOSPITAL	NONE	NONE	NONE		
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	40,000	150,000		
4					
5					
6					
7					
8					
9					
10					
Total		40,000	150,000		

RIDOH 1402

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0142

2010

Name

BUTLER HOSPITAL

Employer identification number

05-0258812

Note: *Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but* ***do not*** *attach Form 2220.*

Part I Required Annual Payment

1	Total tax (see instructions)		1	52,524.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c	Credit for federal tax paid on fuels (see instructions)	2c		
d	**Total.** Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty		3	52,524.
4	Enter the tax shown on the corporation's 2009 income tax return (see instructions). **Caution:** ***If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5***		4	0.
5	**Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	52,524.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6	☐	The corporation is using the adjusted seasonal installment method.
7	☐	The corporation is using the annualized income installment method.
8	☐	The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (***Form 990-PF filers:*** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	01/15/2011	03/15/2011	06/15/2011	09/15/2011
10	**Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column	10	13,131.	13,131.	13,131.	13,131.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11				
	Complete lines 12 through 18 of one column before going to the next column.					
12	Enter amount, if any, from line 18 of the preceding column	12				
13	Add lines 11 and 12	13				
14	Add amounts on lines 16 and 17 of the preceding column	14		13,131.	26,262.	39,393.
15	Subtract line 14 from line 13. If zero or less, enter -0-	15				
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-	16		13,131.	26,262.	
17	**Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	17	13,131.	13,131.	13,131.	13,131.
18	**Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

RIDOH 1403

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). *(Form 990-PF and Form 990-T filers:* Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2010 and before 7/1/2010	21				
22 Underpayment on line 17 x Number of days on line 21 / 365 x 4%	22				
23 Number of days on line 20 after 6/30/2010 and before 10/1/2010	23	ATTACHMENT 1			
24 Underpayment on line 17 x Number of days on line 23 / 365 x 4%	24				
25 Number of days on line 20 after 9/30/2010 and before 1/1/2011	25	SEE PENALTY COMPUTATION WHITEPAPER DETAIL			
26 Underpayment on line 17 x Number of days on line 25 / 365 x 4%	26				
27 Number of days on line 20 after 12/31/2010 and before 4/1/2011	27				
28 Underpayment on line 17 x Number of days on line 27 / 365 x 3%	28				
29 Number of days on line 20 after 3/31/2011 and before 7/1/2011	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30				
31 Number of days on line 20 after 6/30/2011 and before 10/1/2011	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32				
33 Number of days on line 20 after 9/30/2011 and before 1/1/2012	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34				
35 Number of days on line 20 after 12/31/2011 and before 2/16/2012	35				
36 Underpayment on line 17 x Number of days on line 35 / 366 x *%	36				
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37				
38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns	38				1,595.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov.** You can also call 1-800-829-4933 to get interest rate information.

ATTACHMENT 1

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG.DATE	END DATE	DAYS	%	PENALTY
QUARTER 1, RATE PERIOD 1 (01/15/2011 - 03/31/2011)						
	13,131.	01/15/2011	03/31/2011	75	3	81.
TOTAL FOR QUARTER 1, RATE PERIOD 1						81.
QUARTER 1, RATE PERIOD 2 (03/31/2011 - 02/15/2012)						
	13,131.	03/31/2011	02/15/2012	321	4	462.
TOTAL FOR QUARTER 1, RATE PERIOD 2						462.
QUARTER 2, RATE PERIOD 1 (03/15/2011 - 03/31/2011)						
	13,131.	03/15/2011	03/31/2011	16	3	17.
TOTAL FOR QUARTER 2, RATE PERIOD 1						17.
QUARTER 2, RATE PERIOD 2 (03/31/2011 - 02/15/2012)						
	13,131.	03/31/2011	02/15/2012	321	4	462.
TOTAL FOR QUARTER 2, RATE PERIOD 2						462.
QUARTER 3, RATE PERIOD 2 (06/15/2011 - 02/15/2012)						
	13,131.	06/15/2011	02/15/2012	245	4	353.
TOTAL FOR QUARTER 3, RATE PERIOD 2						353.
QUARTER 4, RATE PERIOD 2 (09/15/2011 - 02/15/2012)						
	13,131.	09/15/2011	02/15/2012	153	4	220.
TOTAL FOR QUARTER 4, RATE PERIOD 2						220.
TOTAL UNDERPAYMENT PENALTY						1,595.

Form **8868**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

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

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

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ [X]

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization	Employer identification number
File by the due date for filing your return. See instructions.	BUTLER HOSPITAL	05-0258812
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	345 BLACKSTONE BOULEVARD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	PROVIDENCE, RI 02906	

Enter the Return code for the return that this application is for (file a separate application for each return) 0 7

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ TAXPAYER C/O WITHUMSMITH+BROWN

Telephone No. ▶ 973 898-9494 FAX No. ▶ 973 898-0686

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☐ calendar year 20____ or
▶ [X] tax year beginning 10/01, 20 10, and ending 09/30, 20 11.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

3a	If this application is for Form 990-BL, 990-PF, 990-T, 4720, or 6069, enter the tentative tax, less any nonrefundable credits. See instructions.	3a	$ 100,000.
b	If this application is for Form 990-PF, 990-T, 4720, or 6069, enter any refundable credits and estimated tax payments made. Include any prior year overpayment allowed as a credit.	3b	$ 0.
c	**Balance Due.** Subtract line 3b from line 3a. Include your payment with this form, if required, by using EFTPS (Electronic Federal Tax Payment System). See instructions.	3c	$ 100,000.

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

For Paperwork Reduction Act Notice, see instructions. Form **8868** (Rev. 1-2011)

JSA
0F8054 4.000
7425CY U600

RIDOH 1406

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01 , **2009, and ending** 09/30 , **20** 10

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization BUTLER HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 345 BLACKSTONE BOULEVARD — Room/suite

City or town, state or country, and ZIP + 4 PROVIDENCE, RI 02906

D Employer identification number 05-0258812

E Telephone number (401) 455-6275

G Gross receipts $ 97,876,540.

F Name and address of principal officer: PATRICIA RECUPERO
345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BUTLER.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1844 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities
PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT AND TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE CONTINUOUSLY IMPROVING SERVICES TO PATIENTS AND THE COMMUNITY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets

3	Number of voting members of the governing body (Part VI, line 1a)	3	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	20
5	Total number of employees (Part V, line 2a)	5	1,063
6	Total number of volunteers (estimate if necessary)	6	150
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	262,790.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	203,357.

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	1,208,240.	734,144.
9	Program service revenue (Part VIII, line 2g)	84,983,332.	91,304,728.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	485,224.	1,185,389.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	652,786.	754,208.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	87,329,582.	93,978,469.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	450,000.	450,000.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	63,525,847.	68,010,054.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 408,237.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	20,653,935.	22,758,374.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	84,629,782.	91,218,428.
19	Revenue less expenses. Subtract line 18 from line 12	2,699,800.	2,760,041.

Net Assets or Fund Balances

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	74,792,923.	76,663,287.
21	Total liabilities (Part X, line 26)	37,016,766.	36,754,343.
22	Net assets or fund balances. Subtract line 21 from line 20	37,776,157.	39,908,944.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Susan Doull — Date 8/5/2011 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG U.S. LLP
75 BEATTIE PL, STE 800 GREENVILLE, SC 29601

EIN ▶ 34-6565596

Phone no. ▶ 864/242-5740

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. *

Form **990** (2009)

JSA
9E1010 3 000

4IV0MQ F227

RIDOH 1408

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
ATTACHMENT 2

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 76,755,892. including grants of $ 450,000.) (Revenue $ 90,336,114.)
ATTACHMENT 3

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.) ATTACHMENT 4
(Expenses $ 0. including grants of $ 0.) (Revenue $ 970,501.)

4e Total program service expenses ▶ 76,755,892.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	X	
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If" Yes," complete Schedule D, Part V*	10	X	
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other-securitiesin Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12		X
12A	Was the organization included in consolidated, independent audited financial statement for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.* (Yes: X / No:)	12A	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E.*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	

RIDOH 1410

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		X
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 111		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 1,063		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ _____ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

RIDOH 1412

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	23		
b	Enter the number of voting members that are independent	1b	20		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?		3	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?		4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?		5		X
6	Does the organization have members or stockholders?		6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	X	
b	Each committee with authority to act on behalf of the governing body?		8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9a		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a	X	
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	X	
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ BONNIE BAKER, VP FINANCE/CFO 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906
401-455-6275

RIDOH 1413

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, **or** key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES R. REPPUCCI CHAIR	4.00	X						0.	0.	0.
ALLEN H. CICCHITELLI VICE CHAIR	4.00	X						0.	0.	0.
STANLEY M. ARONSON, M.D. VICE CHAIR	3.00	X						0.	0.	0.
ROBERT G. PADULA TREASURER	3.00	X						0.	0.	0.
DEAN T. HOLT ASSISTANT TREASURER	2.00	X						0.	0.	0.
KEKIN A. SHAH SECRETARY	2.00	X						0.	0.	0.
PHYLLIS C. FIELD ASSISTANT SECRETARY	3.00	X						0.	0.	0.
WILLIAM J. ALLEN TRUSTEE	2.00	X						0.	0.	0.
EARL D. CHAMBERS TRUSTEE	3.00	X						0.	0.	0.
ROBERT E. DEBLOIS TRUSTEE	2.00	X						0.	0.	0.
MARGARET D. FARRELL TRUSTEE	2.00	X						0.	0.	0.
MICHAEL FOLLICK, PH.D. TRUSTEE	2.00	X						0.	0.	0.
RABBI LESLIE Y. GUTTERMAN TRUSTEE	2.00	X						0.	0.	0.
DENNIS B. LANGLEY TRUSTEE	2.00	X						0.	0.	0.
DIANE LIPSCOMBE, PH.D. TRUSTEE	2.00	X						0.	0.	0.
LEWIS P. LIPSITT, PH.D. TRUSTEE	2.00	X						0.	0.	0.

RIDOH 1414

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOHN J MCNAMEE TRUSTEE	2.00	X						0.	0.	0.
MARY B OLENN TRUSTEE	2.00	X						0.	0.	0.
ARTHUR S. ROBBINS TRUSTEE	2.00	X						0.	0.	0.
GARY R. ST. PETER TRUSTEE	2.00	X						0.	0.	0.
MICHAEL MATONE TRUSTEE	2.00	X						0.	0.	0.
PATRICIA R. RECUPERO, M.D., J.D. PRESIDENT/CEO	60.00	X		X				826,086.	0.	289,694.
MICHAEL A FIORI, M.D. PRESIDENT, MEDICAL STAFF	15.00	X		X				80,665.	0.	1,510.
BONNIE BAKER, C.P.A. VICE PRESIDENT/CFO	60.00			X				518,068.	0.	116,210.
WALTER DIAS VICE PRESIDENT/COO	60.00			X				475,351.	0.	95,288.
LINDA DAMON, R.N., A.R.N.P. VICE PRESIDENT/CNO	60.00			X				289,341.	0.	82,748.
STEVEN RASMUSSEN, M.D. MEDICAL DIRECTOR	60.00			X				484,222.	0.	81,551.
LAWRENCE PRICE, M.D. CLINICAL DIRECTOR	60.00					X		379,885.	0.	20,162.
JULIE FORREST, M.D. PSYCHIATRIST	60.00					X		337,736.	0.	2,230.
1b Total . CONTINUED AT SCHEDULE J-2. . . . . ▶								4,299,850.	0.	747,269.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 104

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 5		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 19

Part VIII Statement of Revenue 05-0258812

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	16,321.				
	b Membership dues	7,474.				
	c Fundraising events	76,934.				
	d Related organizations					
	e Government grants (contributions)	98,772.				
	f All other contributions, gifts, grants, and similar amounts not included above	534,643.				
	g Noncash contributions included in lines 1a-1f: $ 14,721.					
	h **Total.** Add lines 1a-1f		734,144.			
Program Service Revenue		**Business Code**				
	2a PATIENT REVENUE	900099	63,737,786.	63,737,786.		
	b OTHER PATIENT CARE	900099	13,911,279.	13,911,279.		
	c RENTAL INCOME OR (LOSS)	531120	968,614.	968,614.		
	d RESEARCH REVENUE	541900	12,687,049.	12,687,049.		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		91,304,728.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,020,168.			1,020,168.
	4 Income from investment of tax-exempt bond proceeds		0.			
	5 Royalties		0.			
		(i) Real / (ii) Personal				
	6a Gross Rents: 797,436. /					
	b Less: rental expenses: 540,119. /					
	c Rental income or (loss): 257,317. /					
	d Net rental income or (loss)		257,317.		257,317.	
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory: 3,296,665. / 181,453.					
	b Less: cost or other basis and sales expenses: 3,312,897. /					
	c Gain or (loss): -16,232. / 181,453.					
	d Net gain or (loss)		165,221.			165,221.
	8a Gross income from fundraising events (not including $ 76,934. of contributions reported on line 1c). See Part IV, line 18 a: 39,585.					
	b Less: direct expenses b: 45,055.					
	c Net income or (loss) from fundraising events		-5,470.			-5,470.
	9a Gross income from gaming activities. See Part IV, line 19 a:					
	b Less: direct expenses b:					
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances a:					
	b Less: cost of goods sold b:					
	c Net income or (loss) from sales of inventory		0.			
	Miscellaneous Revenue	**Business Code**				
	11a CAFETERIA SALES	722210	417,564.			417,564.
	b GIFT SHOP SALES	453220	76,695.			76,695.
	c VENDOR SALES	900099	6,215.		5,473.	742.
	d All other revenue	900099	1,887.	1,887.		
	e **Total.** Add lines 11a-11d		502,361.			
	12 **Total Revenue.** See instructions		93,978,469.	91,306,615.	262,790.	1,674,920.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	450,000.	450,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	3,340,734.	1,020,037.	2,320,697.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	51,309,628.	45,908,870.	5,097,534.	303,224.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,510,811.	1,356,690.	146,061.	8,060.
9 Other employee benefits	8,321,071.	7,472,218.	804,460.	44,393.
10 Payroll taxes	3,527,810.	3,167,929.	341,060.	18,821.
11 Fees for services (non-employees):				
a Management	323,968.	217,059.	106,909.	0.
b Legal	266,169.	0.	266,169.	0.
c Accounting	31,645.	0.	31,645.	0.
d Lobbying	7,743.	0.	7,743.	0.
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	0.			
12 Advertising and promotion	155,202.	831.	154,371.	0.
13 Office expenses	400,869.	221,958.	172,611.	6,300.
14 Information technology	1,651,973.	0.	1,651,973.	0.
15 Royalties	0.			
16 Occupancy	61,425.	61,425.	0.	0.
17 Travel	47,242.	33,716.	12,835.	691.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	179,412.	122,383.	57,029.	0.
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	2,683,861.	2,080,053.	603,808.	0.
23 Insurance	1,849,475.	1,506,916.	342,559.	0.
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a RESEARCH	4,485,066.	4,485,066.	0.	0.
b PURCHASED SERVICES	2,155,771.	1,180,989.	974,782.	0.
c BAD DEBT EXPENSE	1,826,396.	1,826,396.	0.	0.
d MEDICAL SUPPLIES AND DRUGS	1,550,853.	1,550,853.	0.	0.
e FOOD COSTS	1,037,861.	695,367.	342,494.	0.
f All other expenses	4,043,443.	3,397,136.	619,559.	26,748.
25 **Total functional expenses.** Add lines 1 through 24f	91,218,428.	76,755,892.	14,054,299.	408,237.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2 Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1417

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	35,465.	1	9,737.
	2	Savings and temporary cash investments	19,809,104.	2	19,394,506.
	3	Pledges and grants receivable, net	1,450,133.	3	1,444,420.
	4	Accounts receivable, net	5,375,115.	4	6,040,850.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	218,603.	8	246,448.
	9	Prepaid expenses and deferred charges	3,559,374.	9	3,812,567.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 63,214,187.			
	b	Less: accumulated depreciation — 10b: 41,041,443.	22,447,526.	10c	22,172,744.
	11	Investments - publicly traded securities	17,203,268.	11	19,488,986.
	12	Investments - other securities. See Part IV, line 11	2,815,386.	12	2,454,147.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,878,949.	15	1,598,882.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	74,792,923.	16	76,663,287.
Liabilities	17	Accounts payable and accrued expenses	16,623,337.	17	15,218,368.
	18	Grants payable		18	
	19	Deferred revenue	87,131.	19	246,142.
	20	Tax-exempt bond liabilities	4,633,668.	20	4,499,169.
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	5,668,882.	23	5,527,234.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	10,003,748.	25	11,263,430.
	26	**Total liabilities.** Add lines 17 through 25	37,016,766.	26	36,754,343.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	19,347,270.	27	20,287,343.
	28	Temporarily restricted net assets	16,088,520.	28	17,198,544.
	29	Permanently restricted net assets	2,340,367.	29	2,423,057.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	37,776,157.	33	39,908,944.
	34	Total liabilities and net assets/fund balances	74,792,923.	34	76,663,287.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	**Employer identification number**
BUTLER HOSPITAL	05-0258812

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)		
(ii) A family member of a person described in (i) above?	11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

JSA
9E1210 2 000
4IV0MQ F227

RIDOH 1420

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1422

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization BUTLER HOSPITAL

Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	THE CHAMPLIN FOUNDATIONS 300 CENTERVILLE ROAD WARWICK, RI 02886-0226	$ 200,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	STATE OF RHODE ISLAND & PROVIDENCE PLANT STATE HOUSE PROVIDENCE, RI 02903	$ 60,054.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	NEURONETICS, INC. 31 GENERAL WARREN BLVD MALVERN, PA 19355	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	HEALTH RESOURCES AND SERVICES ADMIN. 4350 EAST WEST HIGHWAY ROCKVILLE, MD 20857	$ 38,718.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	MILSTEIN JEWISH COMMUNAL FUND 575 MADISON AVE, STE 703 NEW YORK, NY 10022	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	JOHN AND HAPPY WHITE FOUNDATION 1160 CRANSTON ST. CRANSTON, RI 02920	$ 20,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization BUTLER HOSPITAL

Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	UNITED WAY OF RI FOR PATRICIA RECUPERO 50 VALLEY STREET PROVIDENCE, RI 02909	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	GREGORY IANNUCCILLO 419 ALBION ROAD #20 LINCOLN, RI 02865	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	IDA BALLOU LITTLEFIELD MEMORIAL TRUST 50 KENNEDY PLAZA, STE 1500 PROVIDENCE, RI 02903	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10	GENCORP INSURANCE GROUP 16 MAIN ST EAST GREENWICH, RI 02818	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
11	DANA QUIGLEY C/O SCHWAB CHARITABLE FND 211 MAIN ST SAN FRANCISCO, CA 94105	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
12	JOSEPH RECUPERO 37 ELMWAY STREET PROVIDENCE, RI 02906-4709	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 1426

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	SHANIX, INC. 40 WORTHINGTON ROAD CRANSTON, RI 02920	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
14	ST. PETER & KASLE INCORPORATED 4 RICHMOND SQUARE PROVIDENCE, RI 02906	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
15	VIGNERON MEMORIAL FUND C/O BNK OF AMER 225 FRANKLIN STREET, 4TH FLOOR BOSTON, MA 02110	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
16	AMICA COMPANIES FOUNDATION 100 AMICA WAY LINCOLN, RI 02865	$ 7,407.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
17	BONNIE BAKER 81 ASHTON AVENUE NORTH KINGSTON, RI 02852	$ 5,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
18	B ANDRADE/B FAXON CHARITY FOR CHILDREN P.O. BOX 3305 SOUTH ATTLEBORO, MA 02703	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 1427

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	ALLEN & LOIS CICCHITELLI 11 DEARBORN STREET PROVIDENCE, RI 02909	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
20	THE RE DEBLOIS FAMILY FOUNDATION 41655 N 112TH PLACE SCOTTSDALE, AZ 85262	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
21	WALTER DIAS 80 DOUGLAS DRIVE SAUNDERSTOWN, RI 02874	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
22	DUFFY FOUNDATION 333 MAIN STREET, P.O. BOX 810 MADISON, NJ 07940-0810	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
23	JOHN CLARK TRUST C/O BANK OF AMERICA 225 FRANKLIN STREET, 4TH FLOOR BOSTON, MA 02110	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
24	ROBERT PADULA 129 LIBERTY ROAD EXETER, RI 02822	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 1428

Name of organization BUTLER HOSPITAL

Employer identification number 05-0258812

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25	SOPHIA ROMERO TRUST C/O BNK OF AMER 225 FRANKLIN STREET, 4TH FLOOR BOSTON, MA 02110	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
26	RUTH AND SAMUAL MARKOFF FOUNDATION 401 MIDDLEBRIDGE ROAD WAKEFIELD, RI 02879	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

OMB No. 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B Do not complete Part II-A

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III

Name of organization	Employer identification number
BUTLER HOSPITAL	05-0258812

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $ _____

3 Volunteer hours . . . . . _____

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $ _____

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $ _____

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $ _____

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $ _____

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $ _____

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If these is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		7,743.
j	Total. Add lines 1c through 1i			7,743.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 1432

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY EXPLANATION

FORM 990, SCHEDULE C, PART II-B, LINE 1I, OTHER ACTIVITIES

THE HOSPITAL PAID $3,491 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE HEALTH CARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.AHA.ORG

THE HOSPITAL PAID $2,625 TO THE NATIONAL ASSOCIATION OF PSYCHIATRIC HEALTH SYSTEMS (NAPHS) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE NAPHS PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. THE NAPHS ADVOCATES FOR BEHAVIORAL HEALTH AND REPRESENTS PROVIDER SYSTEMS THAT ARE COMMITTED TO THE DELIVERY OF RESPONSIVE, ACCOUNTABLE, AND CLINICALLY EFFECTIVE TREATMENT AND PREVENTION PROGRAMS FOR CHILDREN, ADOLESCENTS, ADULTS, AND OLDER ADULTS WITH MENTAL AND SUBSTANCE ABUSE DISORDERS. THE NAPHS'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.NAPHS.ORG

THE HOSPITAL PAID $1,627 TO THE RI COUNCIL OF COMMUNITY MENTAL HEALTH ORGANIZATIONS, INC (RICCMHO) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE RICCMHO PROVIDES ADVOCACY & REPRESENTATION TO ITS MEMBERS. THE PURPOSE OF RICCMHO'S ADVOCACY IS TO BROADEN THE BASE OF MENTAL HEALTH AMBASSADORS IN THE RHODE ISLAND COMMUNITY. RICCMHO'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.RICCMHO.ORG

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, acces sion, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a [X] Public exhibition
b [ ] Scholarly research
c [X] Preservation for future generations
d [ ] Loan or exchange programs
e [ ] Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solici t or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . [ ] Yes [X] No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	17,008,598.	18,436,605.			
b Contributions	225,771.	192,208.			
c Net investment earnings, gains, and losses	1,775,372.	-816,844.			
d Grants or scholarships	0.	0.			
e Other expenditures for facilities and programs	756,932.	803,371.			
f Administrative expenses	0.	0.			
g End of year balance	18,252,809.	17,008,598.			

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ 20.2300 %
b Permanent endowment ▶ 12.0200 %
c Term endowment ▶ 67.7500 %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings	4,132,336.	40,193,985.	27,985,233.	16,341,088.
c Leasehold improvements				
d Equipment	154,202.	15,046,664.	10,902,054.	4,298,812.
e Other	309,738.	3,377,262.	2,154,156.	1,532,844.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				22,172,744.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	25,000.
ACCRUED INTEREST	985.
OTHER LIABILITIES	1,830,686.
PENSION LIABILITY	7,846,648.
ASSET RETIREMENT OBLIGATION	674,141.
DUE TO AFFILIATES	885,970.
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	11,263,430.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1436

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

RIDOH 1437

Part XIV Supplemental Information *(continued)*

WORKS OF ART

FORM 990, SCHEDULE D, PART III, LINE 1A

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. AT THE TIME OF THE DONATION, THE WORKS OF ART WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND WERE HELD FOR PUBLIC EXHIBITION AND FOR PRESERVATION FOR FUTURE GENERATIONS. IN ACCORDANCE WITH STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 116, ACCOUNTING FOR CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE, THE HOSPITAL DOES NOT RECOGNIZE OR CAPITALIZE ITS COLLECTIONS FOR FINANCIAL STATEMENT PURPOSES. THE VALUE OF THE HOSPITAL'S COLLECTIONS IS NOT CONSIDERED MATERIAL TO THE HOSPITAL'S FINANCIAL STATEMENTS, THEREFORE THE EXISTENCE OF THESE COLLECTIONS IS NOT SEPARATELY DISCLOSED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS. IN FISCAL 2009, THE HOSPITAL'S TRUSTEES VOTED TO SELL TWO OF THE HOSPITAL'S WORKS OF ART. THESE TWO WORKS OF ART REPRESENTED APPROXIMATELY 90 PERCENT OF THE VALUE OF THE HOSPITAL'S COLLECTION. IN APRIL, 2009, THE HOSPITAL ENTERED INTO A MEMORANDUM OF UNDERSTANDING TO SELL THESE TWO WORKS OF ART TO A NEW YORK GALLERY FOR $500,000.

IN JANUARY 2010, THE SALE OF THE FIRST WORK OF ART WAS COMPLETED, RESULTING IN $181,453 GAIN ON SALE OF ASSETS INCLUDED IN FORM 990, PART VIII, LINE 7. ALSO IN FISCAL 2010, THE HOSPITAL RECEIVED $200,000 FROM THIS GALLERY AS A DEPOSIT TOWARDS THE SECOND WORK OF ART. THE REFUNDABLE DEPOSIT WAS RECORDED AS DEFERRED REVENUE IN THE HOSPITAL'S BALANCE SHEET AS OF SEPTEMBER 30, 2010. THE REMAINING BALANCE THAT IS DUE FROM THE GALLERY TOWARDS THE PURCHASE OF THE SECOND WORK OF ART WAS RECEIVED IN

Part XIV Supplemental Information *(continued)*

OCTOBER, 2010.

WORKS OF ART

FORM 990, SCHEDULE D, PART III, LINE 4

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. THE WORKS OF ART INCLUDE WATERCOLORS ON PAPER AND OILS ON CANVAS BY VARIOUS ARTISTS. THE COLLECTION ALSO INCLUDES A SIMON WILLARD CLOCK. THE DONATED ITEMS WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND ARE HELD FOR CHARITABLE PURPOSES, FURTHERING THE ORGANIZATION'S EXEMPT PURPOSES. THE MOST SIGNIFICANT USES OF THE HOSPITAL'S COLLECTIONS ARE PUBLIC EXHIBITION AND THE PRESERVATION FOR FUTURE GENERATIONS. MANY OF THE OILS ON CANVAS ARE PORTRAITS OF THE ORIGINAL FOUNDERS OF THE HOSPITAL AND ARE THEREFORE, ALSO HISTORICALLY RELEVANT TO THE ORGANIZATION.

INTENDED USE OF ENDOWMENT FUNDS

FORM 990, SCHEDULE D, PART V, LINE 4

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THESE PURPOSES INCLUDE GENERAL PURPOSES, HEALTHCARE SERVICES, HEALTHCARE RESEARCH, INDIGENT CARE, HEALTH AND EDUCATION AND MAINTENANCE OF PROPERTY AND EQUIPMENT.

FIN 48/ASC 740

Part XIV Supplemental Information *(continued)*

FORM 990, SCHEDULE D, PART X, LINE 2

CARE NEW ENGLAND HEALTH SYSTEM'S (CNE'S) FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48/ASC 740. CNE COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2010 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO CNE'S FINANCIAL STATEMENTS.

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b line 15, or line 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
NORTH AMERICA	0	0	PROGRAM SERVICES	RSRCH STUDY CONSULTING	10,000.
Totals . . . . . ▶	0	0			10,000.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

RIDOH 1443

Part IV **Supplemental Information**
Complete this part to provide the information required in Part I, line 2, and any additional information.

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

FORM 990, SCHEDULE F, PART I, LINE 2

THE HOSPITAL OBTAINS AN INDEPENDENT CONTRACTOR AGREEMENT FOR ALL CONSULTANTS WORKING ON RESEARCH STUDIES. THE INDEPENDENT CONTRACTOR AGREEMENT DESCRIBES WORK TO BE PERFORMED BY THE CONSULTANT AND THE PAYMENT TERMS. THE PRINCIPAL INVESTIGATOR OF THE STUDY, A BUTLER HOSPITAL EMPLOYEE, MONITORS THE WORK PERFORMED BY THE CONSULTANT PER THE TERMS OF THE INDEPENDENT CONTRACTOR AGREEMENT. UPON SATISFACTORY COMPLETION OF THE WORK PERFORMED, THE PRINCIPAL INVESTIGATOR APPROVES PAYMENT TO THE CONSULTANT BY GENERATING A REQUEST FOR PAYMENT AND SUBMITTING THE REQUEST TO THE ACCOUNTS PAYABLE DEPARTMENT OF THE HOSPITAL.

RIDOH 1444

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2009
Open To Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

RIDOH 1445

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 SILENT AUCTION (event type)	(c) Other Events 0 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	100,350.	16,169.	0.	116,519.
	2 Less: Charitable contributions	66,345.	10,589.	0.	76,934.
	3 Gross income (line 1 minus line 2)	34,005.	5,580.	0.	39,585.
Direct Expenses	4 Cash prizes	0.	0.	0.	0.
	5 Noncash prizes	12,164.	0.	0.	12,164.
	6 Rent/facility costs	10,090.	0.	0.	10,090.
	7 Food and beverages	8,903.	0.	0.	8,903.
	8 Entertainment	0.	0.	0.	0.
	9 Other direct expenses	3,309.	10,589.	0.	13,898.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(45,055.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				-5,470.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities:			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," explain:			
10 a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," explain:			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

RIDOH 1446

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ▶ _____			
	Address ▶ _____			
15 a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶$ _____.			
c	If "Yes," enter name and address of the third party:			
	Name ▶ _____			
	Address ▶ _____			
16	Gaming manager information:			
	Name ▶ _____			
	Gaming manager compensation ▶$ _____			
	Description of services provided ▶ _____			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

RIDOH 1447

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Charity Care and Certain Other Community Benefits at Cost

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	X	
b	If "Yes," is it a written policy?	X	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. [X] Applied uniformly to all hospitals [ ] Applied uniformly to most hospitals [ ] Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	X	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [X] 300% [ ] 350% [ ] 400% [ ] Other _____ %	X	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	X	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	X	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Does the organization prepare an annual community benefit report?		X
b	If "Yes," does the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			1,407,660.	8,828.	1,398,832.	1.56
b Unreimbursed Medicaid (from Worksheet 3, column a)						
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			1,407,660.	8,828.	1,398,832.	1.56
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			314,475.	0.	314,475.	.35
f Health professions education (from Worksheet 5)			2,502,491.	736,802.	1,765,689.	1.98
g Subsidized health services (from Worksheet 6)			10,104,410.	7,308,261.	2,796,149.	3.13
h Research (from Worksheet 7)			13,460,566.	11,465,394.	1,995,172.	2.23
i Cash and in-kind contributions to community groups (from Worksheet 8)			5,667.	1,185.	4,482.	.01
j **Total.** Other Benefits			26,387,609.	19,511,642.	6,875,967.	7.70
k **Total.** Add lines 7d and 7j			27,795,269.	19,520,470.	8,274,799.	9.26

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X
2	Enter the amount of the organization's bad debt expense (at cost) 1,037,290.	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy 0.	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	13,239,187.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	16,322,506.
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-3,083,319.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☒ Cost to charge ratio ☐ Other		

Section C. Collection Practices

			Yes	No
9a	Does the organization have a written debt collection policy?	9a	X	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	X	

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 1449

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
BUTLER HOSPITAL 345 BLACKSTONE BOULEVARD PROVIDENCE RI 02906	X			X		X			

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

IF APPLICABLE, DESCRIBE THE INCOME-BASED CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.

N/A - BUTLER HOSPITAL USES THE FPG TO DETERMINE ELIGIBILITY FOR FREE CARE.

PART I, LINE 6A:

NOT APPLICABLE - BUTLER HOSPITAL DOES NOT PREPARE AN ANNUAL COMMUNITY BENEFIT REPORT.

PART I, LINE 7G:

IF APPLICABLE, DESCRIBE WHETHER THE ORGANIZATION INCLUDED AS SUBSIDIZED HEALTH SERVICES ANY COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC, AND REPORT SUCH COSTS THE ORGANIZATION INCLUDED.

BUTLER HOSPITAL INCLUDED SHORTFALLS FROM DIRECT PROGRAMS COSTS AND ALLOCATED OVERHEAD, LESS ANY REIMBURSEMENT, FOR PHYSICIAN SERVICES AND OUTPATIENT CLINICS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IF APPLICABLE, ENTER THE BAD DEBT EXPENSE INCLUDED ON FORM 990, IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN.

$1,826,396.

PART I, LINE 7:

PROVIDE AN EXPLANATION OF THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE.

WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7. THE SOURCE OF WORKSHEET 2 WAS THE MEDICARE COST REPORT FOR FY 2010, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, I.E., REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN WORKSHEET A-8-2, REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE), ALLOWING THE FULL PENSION EXPENSE, ETC.

RIDOH 1452

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT INCLUDE A BAD DEBT EXPENSE FOOTNOTE.

LINE 4 - (A) PROVIDE THE RATIONALE AND THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINES 2 AND 3.

SAME AS ANSWER ABOVE FOR PART 1, LINE 7 ABOVE.

LINE 4 - (B) DESCRIBE HOW THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSES.

WHILE A PATIENT'S INDIVIDUAL FINANCIAL CIRCUMSTANCES MAY RESULT IN SOME OR ALL OF THE SERVICES RENDERED BEING CHARGED OFF AS FREE SERVICE, ANY REMAINING BALANCE WHICH THE HOSPITAL DETERMINES THE PATIENT IS CAPABLE OF PAYING IS DUE IN FULL.

A COMMUNITY BENEFIT DISCOUNT IS OFFERED FOR UNINSURED PATIENTS, AS WELL AS PROMPT PAY OR ADVANCE PAY DISCOUNTS.

ALL PAYMENT RECEIVED ARE APPLIED TO PATIENT'S ACCOUNTS.

THE ACCOUNT BECOMES BAD DEBT WHEN ALL EFFORTS TO COLLECT HAVE BEEN EXHAUSTED. THE HOSPITAL USES ANY AND ALL ACTIONS THAT ARE AVAILABLE

RIDOH 1453

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

TO THEM UNDER STATE AND FEDERAL REGULATIONS TO COLLECT THE AMOUNTS OWED BY THE PATIENTS. THIS MIGHT INCLUDE, BUT NOT BE LIMITED TO, THE USE OF OUTSIDE COLLECTION AGENCIES AND COLLECTION ATTORNEYS.

THE TOTAL BAD DEBT EXPENSE FOR FY 2010 WAS DETERMINED PER GAAP ALLOWANCE METHOD WHEREIN AN ESTIMATE IS MADE FOR BAD DEBT EXPENSE BY WAY OF A PROVISION FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLES (ALLOWANCE FOR DOUBTFUL ACCOUNTS) BASED ON HISTORIC COLLECTION EXPERIENCE.

LINE 4 - (C) DESCRIBE THE METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.

SUFFICIENT INFORMATION IS NOT AVAILABLE TO MAKE THIS DETERMINATION.

HOWEVER, IT IS LIKELY THAT A SIGNIFICANT PORTION OF OUR BAD DEBT WOULD QUALIFY FOR CHARITY CARE.

LINE 4 - (D) DESCRIBE THE RATIONALE, IF ANY, FOR INCLUDING ANY PORTION OF BAD DEBT AS COMMUNITY BENEFIT.

N/A

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

LINE 8 -(A) DESCRIBE THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATIONS' MEDICARE COST REPORT, AS REFLECTED IN THE AMOUNT REPORTED IN PART III, LINE 6. THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED FY 2010 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED COSTS, WHICH ARE INCLUDED IN PART 1, LINE 7(F). WORKSHEET D-1, LINE 49, DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME FROM WORKSHEET E, PART B.

(B) BUTLER HOSPITAL IS A TAX-EXEMPT, CHARITABLE ORGANIZATION WHICH LOOKS TO SERVE THEIR VARIOUS PATIENT POPULATIONS AND IMPROVE THEIR HEALTH STATUS. BUTLER PROVIDES ESSENTIAL SERVICES TO THEIR PATIENTS REGARDLESS OF THE PATIENT'S ABILITY TO PAY OR THEIR PARTICULAR HEALTH CARE COVERAGE. THE MEDICARE PATIENTS IN OUR COMMUNITY DEPEND ON BUTLER HOSPITAL TO SERVE THEIR MEDICAL NEEDS REGARDLESS OF WHETHER THE MEDICARE PROGRAM COVERS THE COST OF PROVIDING SUCH SERVICE. SINCE BUTLER HOSPITAL CONSTANTLY WORKS TO OPERATE AS COST EFFICIENT AS POSSIBLE, WE FEEL STRONGLY THAT THE MEDICARE SHORTFALL SHOULD BE INCLUDED AS A COMMUNITY BENEFIT.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IF THE ORGANIZATION HAS A WRITTEN BAD DEBT COLLECTION POLICY AND ANSWERED "YES" TO PART III, LINE 9B, DESCRIBE THE COLLECTION PRACTICES SET FORTH IN THE POLICY THAT APPLY TO PATIENTS WHO IT KNOWS QUALIFY FOR FINANCIAL ASSISTANCE, WHETHER OR NOT SUCH PRACTICES APPLY SPECIFICALLY TO SUCH PATIENTS OR MORE BROADLY TO ALSO COVER OTHER TYPES OF PATIENTS.

BUTLER HOSPITAL DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR EXTREME MEDICAL EXPENSES.

PART V:

NOT APPLICABLE

NEEDS ASSESSMENT:

PART VI, LINE 2: ALL COMMUNITY BENEFIT PROGRAMS UNDERTAKEN BY THE HOSPITAL ARE ALIGNED WITH THE MISSION OF THE HOSPITAL: TO IMPROVE THE

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH STATUS AND WELL-BEING OF INDIVIDUALS AND FAMILIES IN ITS SERVICE AREA. RECOGNIZING THAT COMMUNITY NEEDS MAY OUTPACE RESOURCES, THE HOSPITAL CONTINUALLY REVIEWS AND EVALUATES CURRENT AND PROPOSED PROGRAMS TO ENSURE THAT PROGRAMS OFFERING THE MOST BENEFIT WILL CONTINUE TO BE SUPPORTED BY THE HOSPITAL. THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES:

OBJECTIVE 1: PHYSICAL ACTIVITY

OBJECTIVE 3: TOBACCO

OBJECTIVE 4: SUBSTANCE ABUSE

OBJECTIVE 6: MENTAL HEALTH

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

PART VI, LINE 3: A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. ALSO, IT IS PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON OUR WEB SITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY OUR PATIENT POPULATION IN ACCORDANCE WITH THE

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

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)

RIDOH 1458

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY INFORMATION:

PART VI, LINE 4: 2010 DEMOGRAPHIC SNAPSHOT OF RHODE ISLAND

LEVEL OF GEOGRAPH: ZIP CODE

DEMOGRAPHIC CHARACTERISTICS:	RHODE ISLAND	USA
TOTAL POPULATION IN 2000	1,048,319	281,421,906
TOTAL POPULATION IN 2010	1,045,594	309,038,974
TOTAL POPULATION IN 2015	1,033,488	321,675,005
% CHANGE	-1.2%	4.1%
AVERAGE HOUSEHOLD INCOME	$72,584	$71,071

	2010	2015	% CHANGE
TOTAL MALE POPULATION	506,414	501,119	-1.0%
TOTAL FEMAL POPULATION	539,180	532,369	-1.3%
FEMALES, CHILD BEARING AGE (15-44)	213,087	200,034	-6.1%
% UNEMPLOYMENT	7.0%		
%USA UNEMPLOYMENT	8.4%		

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

POPULATION DISTRIBUTION

AGE DISTRIBUTION

					USA
		% OF		% OF	% OF
	2010	TOTAL	2015	TOTAL	TOTAL
0-14	183,763	17.6%	177,791	17.2%	20.1%
15-17	42,457	4.1%	38,533	3.7%	4.2%
18-24	110,814	10.6%	105,712	10.2%	9.7%
25-34	130,402	12.5%	130,835	12.7%	13.3%
35-54	301,632	28.8%	276,737	26.8%	28.1%
55-64	125,925	12.0%	140,093	13.6%	11.5%
65+	150,601	14.4%	163,787	15.8%	13.2%
TOTAL	1,045,594	100.0%	1,033,488	100.0%	100.0%

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HOUSEHOLD INCOME DISTRIBUTION

INCOME DISTRIBUTION

		USA	
	HH COUNT	% OF TOTAL	% OF TOTAL
<$15K	52,347	12.8%	12.1%
$15 - 25K	41,348	10.1%	10.2%
$25 - 50K	92,574	22.6%	25.5%
$50 - 75K	77,426	18.9%	19.5%
$75 - 100K	57,253	14.0%	12.5%
OVER 100K	88,625	21.6%	20.1%
	409,573	100.0%	100.0%

RIDOH 1461

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EDUCATION LEVEL

EDUCATION LEVEL DISTRIBUTION

		USA	
	POP AGE 25+	% OF TOTAL	% OF TOTAL
LESS THAN HIGH SCHOOL	49,578	7.0%	6.4%
SOME HIGH SCHOOL	68,264	9.6%	8.9%
HIGH SCHOOL DEGREE	200,741	28.3%	29.0%
SOME COLLEGE/ASSOC. DEGREE	178,038	25.1%	28.2%
BACHELOR'S DEGREE OR GREATER	211,939	29.9%	27.5%
TOTAL	708,560	100.0%	100.0%

RIDOH 1462

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RACE/ETHNICITY

RACE/ETHICITY DISTRIBUTION

		USA	
	2010 POPULATION	% OF TOTAL	% OF TOTAL
WHITE NON-HISPANIC	808,098	77.3%	64.7%
BLACK NON-HISPANIC	47,627	4.6%	12.1%
HISPANIC	124,842	11.9%	15.8%
ASIAN & PACIFIC IS NON-HISPANIC	27,288	2.6%	4.5%
ALL OTHERS	37,739	3.6%	2.9%
TOTAL	1,045,594	100.0%	100.0%

RIDOH 1463

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

2010 DEMOGRAPHIC SNAPSHOT OF SOUTHEAST MA COUNTIES

LEVEL OF GEOGRAPH: ZIP CODE

DEMOGRAPHIC CHARACTERISTICS:	SE MA COUNTIES	USA
TOTAL POPULATION IN 2000	1,229,681	281,421,906
TOTAL POPULATION IN 2010	1,260,246	309,038,974
TOTAL POPULATION IN 2015	1,263,124	321,675,005
% CHANGE	0 .2%	4.1%
AVERAGE HOUSEHOLD INCOME	$79,516	$71,071

	2010	2015	% CHANGE
TOTAL MALE POPULATION	609,294	611,170	0.3%
TOTAL FEMAL POPULATION	650,952	651,954	0.2%
FEMALES, CHILD BEARING AGE (15-44)	243,821	232,255	-4.7%
% UNEMPLOYMENT	6.3%		
%USA UNEMPLOYMENT	6.4%		

RIDOH 1464

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

POPULATION DISTRIBUTION

AGE DISTRIBUTION

					USA
	2010	% OF TOTAL	2015	% OF TOTAL	% OF TOTAL
0-14	222,942	17.6%	214,436	17.0%	20.1%
15-17	53,977	4.3%	50,252	4.0%	4.2%
18-24	111,667	8.9%	116,200	9.2%	9.7%
25-34	152,128	12.1%	151,524	12.0%	13.3%
35-54	363,378	28.8%	334,503	26.5%	28.1%
55-64	158,282	12.6%	173,374	13.7%	11.5%
65+	197,872	15.7%	222,835	17.6%	13.2%
TOTAL	1,260,246	100.0%	1,263,124	100.0%	100.0%

RIDOH 1465

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HOUSEHOLD INCOME DISTRIBUTION

INCOME DISTRIBUTION

USA

	HH COUNT	% OF TOTAL	% OF TOTAL
<$15K	50,007	10.3%	12.1%
$15 - 25K	43,639	9.0%	10.2%
$25 - 50K	100,431	20.7%	25.5%
$50 - 75K	91,612	18.9%	19.5%
$75 - 100K	73,301	15.1%	12.5%
OVER 100K	125,747	25.9%	20.1%
	484,737	100.0%	100.0%

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EDUCATION LEVEL

EDUCATION LEVEL DISTRIBUTION

	POP AGE 25+	% OF TOTAL	USA % OF TOTAL
LESS THAN HIGH SCHOOL	45,716	5.2%	6.4%
SOME HIGH SCHOOL	65,748	7.5%	8.9%
HIGH SCHOOL DEGREE	260,441	29.9%	29.0%
SOME COLLEGE/ASSOC. DEGREE	237,447	27.2%	28.2%
BACHELOR'S DEGREE OR GREATER	262,308	30.1%	27.5%
TOTAL	871,660	100.0%	100.0%

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RACE/ETHNICITY

RACE/ETHICITY DISTRIBUTION			
		USA	
	2010 POPULATION	% OF TOTAL	% OF TOTAL
WHITE NON-HISPANIC	1,087,342	86.3%	64.7%
BLACK NON-HISPANIC	47,035	3.7%	12.1%
HISPANIC	47,728	3.8%	15.8%
ASIAN & PACIFIC IS NON-HISPANIC	17,521	1.4%	4.5%
ALL OTHERS	60,620	4.8%	2.9%
TOTAL	1,260,246	100.0%	100.0%

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY BUILDING ACTIVITIES:

NOT APPLICABLE

OTHER INFORMATION:

PART VI, LINE 6: BUTLER HOSPITAL IS A MEMBER OF CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATED WITH THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY. OUR MEDICAL STAFF IS COMPRISED OF APPROXIMATELY 100 PHYSICIANS. OUR BOARD OF TRUSTEES IS A COMMUNITY BOARD COMPRISED OF COMMUNITY LEADERS, BUSINESSMEN AND WOMEN AND OTHERS THROUGHOUT THE STATE. IN ADDITION, 200 MEMBERS OF THE COMMUNITY ARE MEMBERS OF THE HOSPITAL'S CORPORATION, ALL OF WHOM REPRESENT THE HOSPITAL AND ITS MISSION STATEWIDE. SURPLUS FUNDS FOR BUTLER HOSPITAL ARE REINVESTED AND USED IN CARRYING OUT THE MISSION OF PATIENT CARE AND RESEARCH. THE ORGANIZATION PROVIDES COMMUNITY BENEFIT PROGRAMS AND SERVICES THROUGH THE FOLLOWING INITIATIVES.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PROGRAMS ALIGNED WITH HEALTHY PEOPLE 2010

BUTLER HOSPITAL HAS PROGRAMS THAT ADDRESS THE FOLLOWING COMMUNITY INITIATIVES SET BY THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010:

OBJECTIVE 1: PHYSICAL ACTIVITY

OBJECTIVE 3: TOBACCO

OBJECTIVE 4: SUBSTANCE ABUSE

OBJECTIVE 6: MENTAL HEALTH

UNCOMPENSATED CARE

BUTLER HOSPITAL PROVIDES UNCOMPENSATED CARE TO PEOPLE IN THE COMMUNITY IN NEED OF SPECIALIZED PSYCHIATRIC SERVICES.

COMMUNITY PARTNERSHIPS

THE HOSPITAL IS ENGAGED WITH THE FOLLOWING ORGANIZATIONS IN A VARIETY OF WAYS INCLUDING SUPPORTING COMMUNITY EDUCATION AND AWARENESS PROGRAMS, PROVIDING MEETING AND CONFERENCE AND OFFICE SPACE, AND PARTICIPATION ON VARIOUS BOARDS AND COMMITTEES WORKING TO IMPROVE THE

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH OF THE COMMUNITY.

AL ANON

ALCOHOLICS ANONYMOUS

ALPERT SCHOOL OF MEDICINE OF BROWN UNIVERSITY

ALZHEIMER'S ASSOCIATION OF AMERICA

AMERICAN PARKINSON'S DISEASE ASSOCIATION

BLACKSTONE PARKS CONSERVANCY

DEPARTMENT OF HEALTH

DEPARTMENT OF CHILDREN, YOUTH AND FAMILIES (DCYF)

GAMBLERS ANONYMOUS

IVY LEAGUE PSYCHIATRIC HOSPITALS

MANIC DEPRESSIVE AND DEPRESSIVE ASSOCIATION OF RHODE ISLAND

MENTAL HEALTH ASSOCIATION OF RHODE ISLAND

DEPARTMENT OF BEHAVIORAL HEALTHCARE, DEVELOPMENTAL DISABILITIES, AND HOSPITALS (BHDDH)

NATIONAL ALLIANCE FOR THE MENTALLY ILL, RHODE ISLAND

NATIONAL ASSOCIATION OF PSYCHIATRIC HEALTH SYSTEMS

NARCOTICS ANONYMOUS

RIDOH 1471

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NORTHERN RHODE ISLAND COMMUNITY SERVICES

RHODE ISLAND BLOOD CENTER

RHODE ISLAND PARENTING INFORMATION NETWORK

RHODE ISLAND NETWORK OF CARE FOR BEHAVIORAL HEALTH

RECOVERY ROOM - NURSING SUPPORT GROUP

NATIONAL ASSOCIATION OF SOCIAL WORKERS

RHODE ISLAND COUNCIL ON ALCOHOLISM AND OTHER DRUG ADDICTION

RHODE ISLAND COUNCIL OF COMMUNITY MENTAL HEALTH CENTERS

RHODE ISLAND STATE NURSES ASSOCIATION

UNITED WAY

RESEARCH AND ACADEMIC EDUCATION

AS A MAJOR TEACHING AND RESEARCH FACILITY AFFILIATED WITH THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, BUTLER HOSPITAL CONDUCTS CUTTING -EDGE RESEARCH ON BRAIN-BASED DISEASES. THE GOAL OF THE RESEARCH IS TO DISCOVER THE UNDERLYING CAUSES OF DEPRESSION, ADDICTIONS, MEMORY AND MOVEMENT DISORDERS AND IDENTIFY NEW TREATMENTS WHICH WILL BENEFIT PEOPLE SUFFERING FROM THESE ILLNESSES.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AS THE FLAGSHIP HOSPITAL FOR DEPARTMENT OF PSYCHIATRY AND HUMAN BEHAVIOR FOR THE WARREN ALPERT MEDICAL SCHOOL OF BROWN, BUTLER HOSPITAL PROVIDES EDUCATION AND TRAINING FOR MEDICAL STUDENTS AND PSYCHIATRIC AND PSYCHOLOGY RESIDENTS. ADDITIONALLY, THE HOSPITAL PROVIDES CLINICAL EDUCATION FOR NURSING, PHARMACISTS AND OCCUPATIONAL THERAPY STUDENTS FROM SCHOOLS IN NEW ENGLAND AND ALL OVER THE UNITED STATES.

PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS

BUTLER HOSPITAL BELIEVES COMMUNITY EDUCATION AND INFORMATION IS CRITICAL TO REDUCING STIGMA AND IMPROVING TREATMENT OUTCOMES THROUGH EARLY RECOGNITION OF A POSSIBLE PROBLEM. ANNUALLY, THE HOSPITAL SPONSORS 10-12 PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS ON SUCH TOPICS AS MEMORY AND AGING, PARKINSON'S DISEASE, AND MOOD AND EATING DISORDERS. IN ADDITION, THE HOSPITAL IS A YEARLY SPONSOR OF THE ANNUAL MAY IS MENTAL HEALTH MONTH PROGRAMS OFFERED BY THE MENTAL HEALTH ASSOCIATION OF RHODE ISLAND. THE HOSPITAL ALSO PARTICIPATES IN ONGOING HEALTH EDUCATION ACTIVITIES OFFERED BY ITS CARE NEW ENGLAND PARTNERS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PATIENT FAMILY EDUCATION CENTER & ON-LINE MENTAL HEALTH SCREENINGS

THE BUTLER HOSPITAL PATIENT/FAMILY EDUCATION CENTER PROVIDES FREE INFORMATION ON BEHAVIORAL DISORDERS, SUBSTANCE ABUSE, AND OTHER MEDICAL ISSUES. COMPUTER SEARCHES ARE PROVIDED ON REQUEST. DEVELOPED IN ASSOCIATION WITH THE ALLIANCE FOR THE MENTALLY ILL AND THE MANIC DEPRESSIVE AND DEPRESSIVE ILLNESS ASSOCIATION, THE CENTER IS THE LARGEST HOSPITAL-BASED INFORMATION CENTER OF ITS TYPE IN THE AREA. IN ADDITION, THE HOSPITAL SUPPORTS AN ON-LINE MENTAL HEALTH SCREENING FOR DEPRESSION, BIPOLAR DISORDER, GENERALIZED ANXIETY DISORDER, POST-TRAUMATIC STRESS DISORDER, AND SUBSTANCE ABUSE. OVER 1,580 PEOPLE TOOK THE SCREENING ON 2010. THE HOSPITAL ALSO SUPPORTS THE RHODE ISLAND NETWORK OF CARE FOR BEHAVIORAL HEALTH (RHODEISLAND.NETWORKOFCARE.ORG), A WEBSITE THAT OFFERS THE PUBLIC ONE-STOP RESOURCE FOR MENTAL HEALTH INFORMATION AND SUPPORT.

SUPPORT GROUP

IN ADDITION TO PROVIDING MEETING SPACE TO MANY MENTAL HEALTH AND SUBSTANCE ABUSE SUPPORT GROUPS IN THE COMMUNITY, THE HOSPITAL

RIDOH 1474

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PROVIDES THE FOLLOWING FREE SUPPORT GROUPS:

- MONTHLY SUPPORT GROUPS FOR PEOPLE WITH OCD AS WELL AS FOR PATIENTS, AND FAMILIES AND FRIENDS OF PEOPLE WITH OCD

- WEEKLY SELF-HELP GROUP FOR PATIENTS AND FORMER PATIENTS OF BUTLER'S ALCOHOL & DRUG TREATMENT PROGRAM

- MONTHLY SUPPORT GROUP FOR PEOPLE SUFFERING FROM COMPULSIVE HOARDING

INTERPRETER SERVICES

EMPLOYEES AND VOLUNTEERS OF THE HOSPITAL WHO ARE SKILLED IN LANGUAGES OTHER THAN ENGLISH ARE CALLED UPON TO PROVIDE INTERPRETER SERVICES FOR PATIENTS AND THEIR SIGNIFICANT OTHERS. THIS SERVICE IS PROVIDED BY THE HOSPITAL FREE OF CHARGE. WHEN INTERPRETERS ARE NOT AVAILABLE WITHIN THE HOSPITAL, BUTLER HOSPITAL PROVIDES THESE SERVICES THROUGH THE AT&T LANGUAGE LINE SERVICE, ALSO FREE TO THE COMMUNITY. WITHIN THE HOSPITAL, BUTLER HOSPITAL PROVIDES THESE SERVICES THROUGH THE AT&T LANGUAGE LINE SERVICE, ALSO FREE TO THE COMMUNITY.

AFFILIATED HEALTH CARE SYSTEM ROLES:

RIDOH 1475

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART VI, LINE 7: THE MISSION OF THE CARE NEW ENGLAND HEALTH SYSTEM IS TO CONTINUALLY IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES OF SOUTHEASTERN NEW ENGLAND. COMPRISED OF THREE HOSPITALS - BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND - AS WELL AS THE VNA OF CARE NEW ENGLAND, THE DISTINCTIVE PROGRAMS, STAFF AND TALENTS OF EACH MEMBER COMBINE TO ENSURE A HIGH-QUALITY CONTINUUM OF CARE FOR THE COMMUNITIES SERVED.

WITH PRIMARY FOCUS ON PATIENTS AND THEIR FAMILIES, CARE NEW ENGLAND PROVIDES A SOLID, DIVERSE COMBINATION OF PHYSICIAN SPECIALISTS AND GENERALISTS WHO ARE COMMITTED TO THE MISSION OF BUILDING A BETTER SYSTEM OF HEALTH CARE. TO DO THIS, THE SYSTEM AIMS TO ATTAIN THE HIGHEST STANDARDS OF QUALITY; PROVIDE ACCESS TO ESSENTIAL HEALTH SERVICES REGARDLESS OF ABILITY TO PAY; DELIVER AN EXCEPTIONAL PATIENT EXPERIENCE; ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH AND TEACHING; ADVOCATE FOR THOSE PATIENTS SERVED; ENHANCE WELLNESS AND PREVENTION; AND OPERATE IN A COST-EFFECTIVE AND FINANCIALLY VIABLE MANNER.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM INCLUDE:

BUTLER HOSPITAL - RHODE ISLAND'S ONLY PRIVATE, NONPROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN AND SENIORS.

KENT COUNTY MEMORIAL HOSPITAL - A GENERAL MEDICINE HOSPITAL PROVIDING A FULL SPECTRUM OF PRIMARY AND SECONDARY ACUTE CARE SERVICES WITH A MEDICAL STAFF REPRESENTING MORE THAN 30 SPECIALTIES.

WOMEN AND INFANTS HOSPITAL OF RHODE ISLAND - THE NATION'S SEVENTH BUSIEST OBSTETRICAL FACILITY, OPERATING THE NATION'S LARGEST SINGLE-FAMILY ROOM NEONATAL INTENSIVE CARE UNIT AND THE AREA'S ONLY TERTIARY LEVEL NEONATAL FACILITY, AND PROVIDING SUCH SPECIALIZED SERVICES AS ONCOLOGY, UROGYNECOLOGY AND INFERTILITY TREATMENT.

VNA OF CARE NEW ENGLAND - A UNIQUE SERVICE PROVIDING A BROAD SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING FOR NEW MOTHERS, THE ELDERLY AND THE TERMINALLY ILL. AS STATED IN THE MISSION FOR VNA OF CARE NEW ENGLAND, THE VNA IS DEDICATED TO PROVIDING QUALITY HEALTH

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CARE AND DEVELOPING PROGRAMS AND RESOURCES TO BENEFIT THE COMMUNITY.

THESE COMMUNITY BENEFITS ARE NOT REPORTED IN THIS HOSPITAL'S RETURN

AND VNA ISN'T A HOSPITAL AND THEREFORE NEVER GETS ONTO A SCHEDULE H.

FORM 990, SCHEDULE H, PART VI, QUESTION 8

IDENTIFY ALL STATES WITH WHICH THE ORGANIZATION, OR A RELATED

ORGANIZATION, FILES A COMMUNTIY BENEFIT REPORT.

NOT APPLICABLE

RIDOH 1478

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶[ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BROWN UNIVERSITY DEPARTMENT OF PSYCHIATRY 42 CHARLSFIELD ST BOX G PROVIDENCE RI 02912	05-0258809	501(C)(3)	450,000.				RESEARCH & EDUCATION

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶ 0

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule I (Form 990) 2009**

JSA
9E1288 2.000
4IV0MQ F227

RIDOH 1479

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

FORM 990, SCHEDULE I

THE HOSPITAL'S CHIEF EXECUTIVE OFFICER AND CLINICAL DIRECTOR PARTICIPATE IN MONTHLY MANAGEMENT MEETINGS OF BROWN UNIVERSITY'S DEPARTMENT OF PSYCHIATRY. MONTHLY MANAGEMENT MEETING DISCUSSIONS INCLUDE SETTING THE PRIORITIES FOR THE SPENDING OF CONTRIBUTED FUNDS. IN ADDITION, ON AN ANNUAL BASIS, BROWN UNIVERSITY'S DEPARTMENT OF PSYCHIATRY PROVIDES ITS OPERATING BUDGET AND ACTUAL EXPENSES TO BUTLER HOSPITAL.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☒ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? **2**	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
	☒ Compensation committee		
	☒ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☒ Compensation survey or study		
	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? **4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? **5a**		X
b	Any related organization? **5b**		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? **6a**	X	
b	Any related organization? **6b**	X	
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
PATRICIA R. RECUPERO, M.D	(i)	401,962.	402,101.	22,023.	266,704.	22,990.	1,115,780.	256,851.
	(ii)	0.	0.	0.	0.	0.	0.	0.
BONNIE BAKER, C.P.A.	(i)	271,654.	223,751.	22,663.	95,061.	21,149.	634,278.	146,254.
	(ii)	0.	0.	0.	0.	0.	0.	0.
WALTER DIAS	(i)	264,878.	203,065.	7,408.	90,523.	4,765.	570,639.	138,106.
	(ii)	0.	0.	0.	0.	0.	0.	0.
LINDA DAMON, R.N., A.R.N.	(i)	226,112.	60,804.	2,425.	70,712.	12,036.	372,089.	75,418.
	(ii)	0.	0.	0.	0.	0.	0.	0.
STEVEN RASMUSSEN, M.D.	(i)	346,093.	140,651.	-2,522.	62,371.	19,180.	565,773.	159,809.
	(ii)	0.	0.	0.	0.	0.	0.	0.
LAWRENCE PRICE, M.D.	(i)	303,514.	73,803.	2,568.	18,145.	2,017.	400,047.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JULIE FORREST, M.D.	(i)	185,902.	149,971.	1,863.	0.	2,230.	339,966.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ALVARO OLIVARES, M.D.	(i)	262,996.	54,000.	-6,239.	3,861.	17,407.	332,025.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
GHULAM SURTI, M.D.	(i)	223,270.	87,335.	-6,351.	0.	17,465.	321,719.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DAWN PICOTTE, M.D.	(i)	258,924.	28,665.	5,896.	1,063.	18,080.	312,628.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

HEALTH OR SOCIAL CLUB DUES

FORM 990, SCHEDULE J, PART I, QUESTION 1A & 1B

A WRITTEN POLICY IS NOT NEEDED AS THE PAYMENTS MADE TO SOCIAL CLUB FOR DUES ARE MADE IN ACCORDANCE WITH EMPLOYMENT CONTRACTS.

FORM 990, SCHEDULE J, PART I, LINE 4B

PATRICIA R. RECUPERO, M.D., J.D., PRESIDENT/CEO OF THE HOSPITAL, PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE TOTAL 2009 CONTRIBUTION TO THE NONQUALIFIED PLAN WAS $132,386 AND IS REPORTED AS RETIREMENT AND OTHER DEFERRED COMPENSATION IN DR. RECUPERO'S 2009 COMPENSATION.

SHORT TERM INCENTIVE PROGRAM/LONG TERM INCENTIVE PROGRAM

FORM 990, SCHEDULE J, PART I, LINES 6A & 6B

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH

RIDOH 1483

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SHORT-TERM AND LONG-TERM INCENTIVE PROGRAMS.

THE SHORT TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY; FINANCIAL; PATIENT SATISFACTION.

THE LONG TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER A THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS; MARKET SHARE; PATIENT SATISFACTION; STRATEGIC OBJECTIVES.

COMPENSATION INFORMATION

FORM 990, PART VII AND SCHEDULE J

1) BASED ON CALENDAR YEAR 2009 W-2 FORM DATA

2) DEFERRED COMPENSATION IS SUBJECT TO FORFEITURE BY THE INDIVIDUAL

RIDOH 1484

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

BASED ON THE PROVISIONS OF THE PLAN.

RIDOH 1485

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the Organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MSC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ALVARO OLIVARES, M.D. UNIT CHIEF	60.00					X		310,757.	0.	21,268.
GHULAM SURTI, M.D. UNIT CHIEF	60.00					X		304,254.	0.	17,465.
DAWN PICOTTE, M.D. PSYCHIATRIST	60.00					X		293,485.	0.	19,143.

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Excess Benefit Transacations (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
KEKIN A. SHAH	TRUSTEE / SECRETARY	171,646.	SEE SCHEDULE O		X

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

ATTACHMENT 1

DESCRIPTION OF MANAGEMENT ARRANGEMENT

FORM 990, PART VI, QUESTION 3

THE HOSPITAL ENGAGES SODEXHO MANAGEMENT, INC. TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO SODEXHO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXHO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

DESCRIPTION OF CLASSES OF MEMBERS OR STOCKHOLDERS

FORM 990, PART VI, QUESTION 6

CARE NEW ENGLAND HAS CORPORATE GOVERNANCE OVER BUTLER HOSPITAL AND IS THE SOLE CORPORATE MEMBER.

DESCRIPTION OF CLASSES OF PERSONS AND THE NATURE OF THEIR RIGHTS

FORM 990, PART VI, QUESTION 7A

COMPOSITION AND ELECTION OF BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EXOFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY THE INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUAL

RIDOH 1488

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

MEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL INCLUDE ONE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS AND THE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE CORPORATE MEMBER AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THEIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

DESCR CLASSES OF PERSONS, DECISIONS REQUIRING APPR & TYPE OF VOTING RIGHTS FORM 990, PART VI, QUESTION 7B

RESERVED POWERS. NOT WITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OF THE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR PLEDGES BY OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

RIDOH 1490

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 FORM 990, PART VI, QUESTION 11A

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT OF FINANCE AND THE CHIEF FINANCIAL OFFICER CONDUCT THE MANAGEMENT REVIEW. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST FORM 990, PART VI, QUESTION 12C

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT

RIDOH 1491

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVE A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS

THE COMMITTEE WILL BE COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM SHALL BE OUTSIDERS, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT HOSPITAL, WOMEN & INFANTS HOSPITAL, BUTLER HOSPITAL, AND THE VNA) AS WELL AS FROM THE CNE BOARD SERVE ON THE

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

COMMITTEE. THE CNE PRESIDENT & CEO ("THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT & CEO.

OUTSIDE ADVISORS

THE COMMITTEE SHALL HAVE THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNSEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING THE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBILITY

THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958 (INTERMEDIATE SANCTIONS). SPECIFICALLY, THE COMMITTEE IS ACCOUNTABLE AND ULTIMATELY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

- ESTABLISH AND OVERSEE CNE'S EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.
- IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.
- ANNUALLY REVIEW AND APPROVE CNE GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; SET BASE SALARY; DETERMINE THE ANNUAL INCENTIVE AND LONG-TERM INCENTIVE AWARDS BASED ON CNE AND INDIVIDUAL PERFORMANCE.
- ANNUALLY REVIEW THE CEO'S RECOMMENDATIONS FOR BASE SALARY, ANNUAL AND

RIDOH 1493

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

LONG-TERM INCENTIVE AWARDS, ETC. FOR THE OPERATING ENTITY PRESIDENT & CEO'S, WHICH ARE MADE IN CONSULTATION WITH EACH OPERATING ENTITIES' BOARD.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15B

THE BUTLER HOSPITAL COMPENSATION COMMITTEE IS COMPRISED OF:

THE CHAIRMAN OF THE BOARD

APPROXIMATELY THREE INDEPENDENT TRUSTEES

ALSO IN ATTENDANCE FOR A PORTION OF THE COMPENSATION COMMITTEE MEETINGS ARE:

THE CNE CEO

THE BUTLER HOSPITAL CEO

THE CNE CHIEF HR OFFICER

THE COMMITTEE MEETS IN OCTOBER - NOVEMBER OF EACH YEAR TO REVIEW NATIONAL EXECUTIVE COMPENSATION DATA. IT MAY ENGAGE A CONSULTANT IN THIS PROCESS.

THE COMMITTEE REVIEWS THE GOALS AND PERFORMANCE OF THE CEO AND MAKES RECOMMENDATIONS TO THE SYSTEM CEO REGARDING SALARY ADJUSTMENTS AND INCENTIVE PLANS.

THE COMMITTEE REVIEWS THE GOALS AND PERFORMANCES OF THE BUTLER HOSPITAL VP'S AND MAKES RECOMMENDATIONS REGARDING SALARY ADJUSTMENTS AND INCENTIVE

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 1 (CONT'D)

PLANS. THE COMMITTEE ALSO PARTICIPATES IN THE DEVELOPMENT OF INCENTIVE GOALS FOR THE COMING YEAR.

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

BUTLER HOSPITAL'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

FORM 990, SCHEDULE L, PART IV

DESCRIPTION OF TRANSACTION: HIS COMPANY, SHANIX INC., SELLS, INSTALLS AND SERVICES SECURITY SYSTEMS FOR BUTLER AND WOMEN & INFANSTS HOSPITAL.

ATTACHMENT 2

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT AND TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE CONTINUOUSLY IMPROVING THE WAYS THE HOSPITAL SERVICES ITS PATIENTS AND THE COMMUNITY.

ATTACHMENT 3

RIDOH 1495

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 3 (CONT'D)

4A PROGRAM SERVICE

BUTLER HOSPITAL OVERVIEW

BUTLER HOSPITAL IS THE ONLY PRIVATE, NONPROFIT ADULT, ADOLESCENT AND CHILD PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL SERVING RHODE ISLAND AND SOUTHEASTERN NEW ENGLAND. FOUNDED IN 1844, IT WAS THE FIRST HOSPITAL IN RHODE ISLAND AND HAS EARNED A REPUTATION AS THE LEADING PROVIDER OF INNOVATIVE PSYCHIATRIC TREATMENTS. A MEMBER OF THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATED WITH THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, THE HOSPITAL IS ALSO RECOGNIZED WORLDWIDE AS A PIONEER IN CONDUCTING CUTTING-EDGE RESEARCH.

PSYCHIATRIC TREATMENT PROGRAMS AND SERVICES

BUTLER HOSPITAL PROVIDES ASSESSMENT AND TREATMENT FOR ALL MAJOR PSYCHIATRIC ILLNESSES AND SUBSTANCE ABUSE. ACUTE INPATIENT CARE IS PROVIDED ON SEVEN DISTINCT PATIENT CARE UNITS: ADDICTIONS, CHILDREN'S INTENSIVE TREATMENT, ADOLESCENT, ADULT INTENSIVE TREATMENT, TWO ADULT GENERAL TREATMENT UNITS, AND A UNIT FOR SENIORS WITH DEMENTIAS AND RELATED BEHAVIORAL PROBLEMS. IN ADDITION, THE HOSPITAL HAS A PARTIAL HOSPITAL DAY PROGRAM THAT ALLOWS PATIENTS TO RECEIVE INTENSIVE CARE DURING THE DAY AND TO RETURN TO THEIR HOMES AT NIGHT.

HOSPITAL PROGRAMS AND SERVICES

ALCOHOL AND DRUG TREATMENT

RIDOH 1496

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 3 (CONT'D)

ADOLESCENT

CHILD AND ADOLESCENT INTENSIVE TREATMENT UNIT (CAITU)

DEVELOPMENTAL DISABILITIES

EATING DISORDERS

ELECTROCONVULSIVE THERAPY

INPATIENT TREATMENT PROGRAMS

MEMORY DISORDERS

MOOD DISORDERS

MOVEMENT DISORDERS

NEUROLOGY

NEUROIMAGING CENTER

NEUROPSYCHIATRY

NEUROPSYCHOLOGY

OBSESSIVE COMPULSIVE DISORDER

ONLINE MENTAL HEALTH SCREENINGS

PARTIAL HOSPITAL TREATMENT PROGRAMS

PASTORAL CARE

PATIENT ASSESSMENT SERVICES (PAS)

PATIENT/FAMILY EDUCATION CENTER

PATIENT SUPPORT GROUPS

POST TRAUMATIC STRESS DISORDER

PSYCHOLOGY

PSYCHOLOGICAL ASSESSMENTS

PSYCHOTIC DISORDERS

SENIOR TREATMENT

RIDOH 1497

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 3 (CONT'D)

WOMEN'S DIALECTICAL BEHAVIOR THERAPY

WOMEN'S PARTIAL HOSPITAL PROGRAM

RESEARCH

PHYSICIAN-SCIENTISTS AT BUTLER CONDUCT ONGOING RESEARCH THAT IS ADVANCING NEW DIAGNOSTIC CAPABILITIES AND INNOVATIVE TREATMENTS FOR SERIOUS MENTAL ILLNESSES, CURRENT RESEARCH PROJECTS ARE STUDYING THE FOLLOWING:

DEPRESSION AND OTHER MOOD DISORDERS

EXERCISE AND MENTAL HEALTH

MARITAL AND FAMILY MENTAL HEALTH

ALZHEIMER'S DISEASE AND RELATED MEMORY DISORDERS

OBSESSIVE COMPULSIVE DISORDER

ALCOHOL, DRUG, AND NICOTINE ADDICTIONS

DEEP BRAIN STIMULATION (DBS)

TRANSCRANIAL MAGNETIC STIMULATION (TMS)

TEACHING PROGRAMS

BROWN RESIDENCY TRAINING

BROWN PSYCHOLOGY INTERNSHIPS

BROWN MEDICAL SCHOOL CORE PSYCHIATRY SEMINARS

BUTLER HOSPITAL/CCRI NURSING PROGRAM

OCCUPATIONAL THERAPY INTERNSHIPS

PHARMACY INTERNSHIPS

RIDOH 1498

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 3 (CONT'D)

PROFESSIONAL CONTINUING EDUCATION PROGRAMS

PUBLIC INFORMATION PROGRAMS

PROFESSIONAL LECTURE SERIES

SOCIAL WORK INTERNSHIPS AND DOCTORAL PROGRAMS

STATISTICS FY 2010:

PATIENT ASSESSMENT EVALUATION:	9,316
INPATIENT DAYS:	54,296
INPATIENT DISCHARGES:	7,024
PARTIAL HOSPITAL DISCHARGES:	2,667
INPATIENT AVERAGE LENGTH OF STAY:	7.7
AMBULATORY VISITS:	15,853
UNCOMPENSATED PATIENT CARE:	$4.8 MILLION

ATTACHMENT 4

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

DESCRIPTION	GRANTS	EXPENSES	REVENUE
RENTAL INCOME	0.	0.	968,614.
EMPLOYEE PHARMACY	0.	0.	1,887.
TOTALS	0.	0.	970,501.

ATTACHMENT 5

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

ATTACHMENT 5 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
BROWN UNIVERSITY 24 CHARLESFIED ST, BOX T PROVIDENCE, RI 02912	PROG ADMIN & GRANT	1,913,984.
QUEST DIAGNOSTICS INCORPORATED 12436 COLLECTIONS CENTER DR CHICAGO, IL 60693	LAB SERVICES	304,106.
SODEXO INC & AFFILIATES PO BOX 18049 WOBURN, MA 01813	CONTRACT FOOD SVCS	297,338.
MIRIAM HOSPITAL 164 SUMMIT AVENUE PROVIDENCE, RI 02906	MEDICAL & LAB SVCS	269,508.
WARZYCHA CONSTRUCTION CO INC 51 ENFIELD STREET PAWTUCKET, RI 02861	CONSTRUCTION SVCS	266,868.
	TOTAL COMPENSATION	3,051,804.

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
CARRIAGE HOUSE, LLC 20-8277056 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	RENTAL ESTATE	RI	772,653.	3,758,853.	BUTLER HOSP

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISIT NURSE	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
TOLL GATE INDEMNITY, LTD 34-2028514 455 TOLL GATE ROAD WARWICK, RI 02886	FINANCIAL VEHICLE	CJ	KCMH	C			
W&I INDEMNITY, LTD 98-0159342 300 RICHMOND STREET PROVIDENCE, RI 02903	FINANCIAL VEHICLE	CJ	WIHRI	C			

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved
(1)	KENT COUNTY MEMORIAL HOSPITAL	N	807,801.
(2)	KENT COUNTY MEMORIAL HOSPITAL	O	153,403.
(3)	KENT COUNTY MEMORIAL HOSPITAL	P	9,159,372.
(4)	KENT COUNTY VNA D/B/A VNA OF CARE NEW ENGLAND	O	12,983.
(5)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	N	477,323.
(6)	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	O	498,699.

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 1504

SCHEDULE R-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

OMB No. 1545-0047

2009

Open to Public Inspection

Name of filing organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R-1 (Form 990) 2009

JSA

9E1311 1 000

4IV0MQ F227

RIDOH 1505

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC

Part III **Continuation of Identification of Related Organizations Taxable as a Partnership**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514.)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner? Yes	(j) No

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

JSA

9E1314 1.000

4IV0MQ F227

RIDOH 1508

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	P	52,560.
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount on Box 20 of K-1	(h) General or managing partner? Yes	(h) No

RIDOH 1510

[THIS PAGE INTENTIONALLY BLANK]

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

ERNST & YOUNG

Ernst & Young LLP
75 Beattie Place, Suite 800
Greenville, South Carolina 29601

Phone: (864) 242-5740
Fax: (864) 298-6414
www.ey.com

Instructions for filing
BUTLER HOSPITAL
Form 990T - Exempt Organization Business Return
for the period ended September 30, 2010

****

Signature...
The original return should be signed (using full name and title) and dated on page 2 by an authorized officer of the organization.

Filing...
The signed return should be filed on or before with...

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0027

Payment of tax...
A deposit in the amout of $ 12,289. should be made using the Electronic Federal Tax Payment System. For deposits made by EFTPS to be on time, you must initiate the transaction at least 1 business day before the date the deposit is due. If you have any questions regarding the new electronic funds transfer requirements, we suggest that you contact our office or the Internal Revenue Service before transmitting payment.

To document the timely filing of your tax return(s), we suggest that you obtain and retain proof of mailing. Proof of mailing can be accomplished by sending the tax return(s) by registered or certified mail (metered by the U.S. Postal Service) or through the use of an IRS approved delivery method provided by an IRS designated private delivery service.

****

A member firm of Ernst & Young Global Limited

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2009 or other tax year beginning 10/01, 2009, and ending 09/30, 20 10. ▶ See separate instructions.

OMB No 1545-0687

2009

Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(C)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

C Book value of all assets at end of year
76,663,287.

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
BUTLER HOSPITAL

Number, street, and room or suite no. If a P O. box, see page 8 of instructions.
345 BLACKSTONE BOULEVARD

City or town, state, and ZIP code
PROVIDENCE, RI 02906

D Employer identification number (Employees' trust, see instructions for Block D on page 9)
05-0258812

E Unrelated business activity codes (See instructions for Block E on page 9.)
531120 532000

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ REAL ESTATE RENTAL AND RENTAL SERVICES

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No
If "Yes," enter the name and identifying number of the parent corporation ▶ ATTACHMENT 1

J The books are in care of ▶ BONNIE BAKER, VP FINANCE/CFO Telephone number ▶ 401-455-6275

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1 a	Gross receipts or sales				
b	Less returns and allowances c Balance ▶	1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit Subtract line 2 from line 1c	3			
4 a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6	59,599.	60,943.	-1,344.
7	Unrelated debt-financed income (Schedule E)	7	737,837.	479,176.	258,661.
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See page 10 of the instructions; attach schedule.)	12	5,473.	ATCH 2	5,473.
13	**Total.** Combine lines 3 through 12	13	802,909.	540,119.	262,790.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			14	0.
15	Salaries and wages			15	25,038.
16	Repairs and maintenance			16	
17	Bad debts			17	
18	Interest (attach schedule)			18	
19	Taxes and licenses			19	
20	Charitable contributions (See page 13 of the instructions for limitation rules.)			20	22,595.
21	Depreciation (attach Form 4562)	21	0.		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a		22b	0.
23	Depletion			23	
24	Contributions to deferred compensation plans			24	
25	Employee benefit programs			25	6,858.
26	Excess exempt expenses (Schedule I)			26	
27	Excess readership costs (Schedule J)			27	
28	Other deductions (attach schedule) ATTACHMENT 3			28	3,942.
29	**Total deductions.** Add lines 14 through 28			29	58,433.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30	204,357.
31	Net operating loss deduction (limited to the amount on line 30)			31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32	204,357.
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions)			33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34	203,357.

RIDOH 1514

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15 Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and.		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 25,000. (2) $ 12,500. (3) $ 165,857.		
b	Enter organization's share of (1) Additional 5% tax (not more than $11,750)	$ 5,168.	
	(2) Additional 3% tax (not more than $100,000)	$	
c	Income tax on the amount on line 34 ATCH 4 ▶	35c	68,434.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	68,434.

Part IV Tax and Payments

40 a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 16 of the instructions)	40b			
c	General business credit Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	68,434.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	68,434.
44 a	Payments: A 2008 overpayment credited to 2009	44a	0.		
b	2009 estimated tax payments	44b	56,510.		
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44f			
45	**Total payments.** Add lines 44a through 44f			45	56,510.
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ [ ]			46	365.
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	12,289.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	0.
49	Enter the amount of line 48 you want: **Credited to 2010 estimated tax** ▶ 0. **Refunded** ▶			49	0.

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

		Yes	No
1	At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5 Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4 a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No X
b	Other costs (attach schedule)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer | Date | VP FINANCE/CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer's Use Only

Preparer's signature	Susan Dull	Date 8/4/2011	Check if self-employed [ ]
Preparer's SSN or PTIN	P00233523		
Firm's name (or yours if self-employed), address, and ZIP code	ERNST & YOUNG U.S. LLP 75 BEATTIE PL, STE 800 GREENVILLE, SC 29601	EIN	34-6565596
		Phone no.	864/242-5740

Form **990-T** (2009)

JSA

9E1620 1 000

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 18)

1. Description of property

(1) 345 BLACKSTONE BLVD. - CLINICIAN OFFICES
(2) 345 BLACKSTONE BLVD. - RAY HALL
(3) 353 & 355 BLACKSTONE BLVD. - SALT / SANDING OF PARKING LOT
(4)

	2. Rent received or accrued	
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule) ATTACHMENT 5
(1)		39,292.	49,026.
(2)		8,307.	4,639.
(3)		12,000.	7,278.
(4)			
Total	Total	59,599.	

(c) **Total income**. Add totals of columns 2(a) and 2(b) Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶ 59,599.

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶ 60,943.

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property (a) Straight line depreciation (attach schedule)	3. Deductions directly connected with or allocable to debt-financed property (b) Other deductions (attach schedule)
(1) ATTACHMENT 8			
(2)			
(3)			
(4)			

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶				737,837.	479,176.
Total dividends-received deductions included in column 8 ▶					

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

		Exempt Controlled Organizations			
1. Name of controlled organization	2. Employer identification number	3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

	7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶					

RIDOH 1516

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A)	Enter here and on page 1, Part I, line 10, col (B)				Enter here and on page 1, Part II, line 26

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4)
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col 2 minus col. 3). If a gain, compute cols. 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
ATCH 9		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14 ▶			0.

ATTACHMENT 1

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND 05-0490997

ATTACHMENT 2

PART I - LINE 12 - OTHER INCOME

COMMISSIONS - VENDOR SALES	5,473.
PART I - LINE 12 - OTHER INCOME	5,473.

ATTACHMENT 3

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

TAX RETURN PREPARATION FEE	3,400.
OTHER EXPENSES	542.
PART II - LINE 28 - OTHER DEDUCTIONS	3,942.

FORM 990T - ORGANIZATIONS TAXABLE AS CORPORATIONS - TAX COMPUTATION

1	TAXABLE INCOME FROM LINE 34, PAGE 1, 990-T	203,357.
2	LINE 1 OR THE CORPORATION'S SHARE OF THE $50,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	25,000.
3	SUBTRACT LINE 2 FROM LINE 1	178,357.
4	LINE 3 OR THE CORPORATION'S SHARE OF THE $25,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	12,500.
5	SUBTRACT LINE 4 FROM LINE 3	165,857.
6	LINE 5 OR THE CORPORATION'S SHARE OF THE $9,925,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	165,857.
7	SUBTRACT LINE 6 FROM LINE 5	
8	ENTER 15% OF LINE 2	3,750.
9	ENTER 25% OF LINE 4	3,125.
10	ENTER 34% OF LINE 6	56,391.
11	ENTER 35% OF LINE 7	
12	MEMBER'S SHARE OF ADDITIONAL TAX: (A) 5% OF THE EXCESS OVER $100,000 OR (B) $11,750	5,168.
13	MEMBER'S SHARE OF ADDITONAL TAX: (A) 3% OF THE EXCESS OVER $15 MILLION OR (B) $100,000	
14	TOTAL OF LINES 8 THROUGH 13. ENTER THIS AMOUNT ON LINE 35C, PAGE 2, 990-T	68,434.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 5

345 BLACKSTONE BLVD. - CLINICIAN OFFICES

SALARIES & WAGES	24,597.
EMPLOYEE BENEFITS	6,968.
OTHER EXPENSES	10,634.
DEPRECIATION	950.
ADMINISTRATIVE AND GENERAL	5,877.
TOTAL	49,026.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 6

345 BLACKSTONE BLVD. - RAY HALL

SALARIES AND WAGES	1,493.
EMPLOYEE BENEFITS	423.
OTHER EXPENSES	2,166.
ADMINISTRATIVE AND GENERAL	557.
TOTAL	4,639.

SCHEDULE C - RENT INCOME DEDUCTIONS

ATTACHMENT 7

353 & 355 BLACKSTONE BLVD. - SALT / SANDING OF PARKING LOT

SALARIES AND WAGES	110.
EMPLOYEE BENEFITS	31.
OTHER EXPENSES	6,265.
ADMINISTRATIVE AND GENERAL	872.
TOTAL	7,278.

BUTLER HOSPITAL

05-0258812

SCHEDULE E - UNRELATED DEBT-FINANCED INCOME

ATTACHMENT 8

1. DESCRIPTION OF DEBT-FINANCED PROPERTY	2. GROSS INCOME	3. DEDUCTIONS DIRECTLY CONNECTED (3A)	(3B)	4. AVERAGE ACQUISITION DEBT	5. AVERAGE ADJUSTED BASIS	6. % 4 IS OF 5	7. GROSS INCOME REPORTABLE (2 X 6)	8. ALLOCABLE DEDUCTIONS 6 * (3A + 3B)
MEDICAL OFFICE BUILDING - CARRIAGE HOUSE	772,653.	154,240.	347,547.	3,800,590.	3,979,925.	95.494	737,837.	479,176.
TOTALS							737,837.	479,176.

RIDOH 1525

ATTACHMENT 9

SCHD. K, FORM 990-T, COMPENSATION OF OFFICERS, DIRECTORS, & TRUSTEES

NAME AND ADDRESS	TITLE	BUSINESS PERCENT	COMPENSATION
CHARLES R. REPPUCCI 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	CHAIR		0.
TOTAL COMPENSATION			0.

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No 1545-0142

2009

Name

BUTLER HOSPITAL

Employer identification number

05-0258812

Note: *Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but* ***do not*** *attach Form 2220.*

Part I Required Annual Payment

1	Total tax (see instructions)		1	68,434.
2 a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c	Credit for federal tax paid on fuels (see instructions)	2c		
d	**Total.** Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1 If the result is less than $500, **do not** complete or file this form The corporation does not owe the penalty		3	68,434.
4	Enter the tax shown on the corporation's 2008 income tax return (see instructions) **Caution:** ***If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5***		4	54,210.
5	**Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	54,210.

Part II Reasons for Filing- Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6	☐	The corporation is using the adjusted seasonal installment method.
7	☐	The corporation is using the annualized income installment method.
8	☐	The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (***Form 990-PF filers:*** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	9	01/15/2010	03/15/2010	06/15/2010	09/15/2010
10	**Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter If none of these boxes are checked, enter 25% of line 5 above in each column	10	13,553.	13,553.	13,553.	13,551.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15	11				56,510.
	Complete lines 12 through 18 of one column before going to the next column.					
12	Enter amount, if any, from line 18 of the preceding column	12				
13	Add lines 11 and 12	13				56,510.
14	Add amounts on lines 16 and 17 of the preceding column	14		13,553.	27,106.	40,659.
15	Subtract line 14 from line 13 If zero or less, enter -0-	15				15,851.
16	If the amount on line 15 is zero, subtract line 13 from line 14 Otherwise, enter -0-	16		13,553.	27,106.	
17	**Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column Otherwise, go to line 18	17	13,553.	13,553.	13,553.	
18	**Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column	18				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

For Paperwork Reduction Act Notice, see separate instructions. Form **2220** (2009)

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). *(Form 990-PF and Form 990-T filers:* Use 5th month instead of 3rd month)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2009 and before 7/1/2009	21				
22 Underpayment on line 17 x Number of days on line 21 / 365 x 4%	22				
23 Number of days on line 20 after 6/30/2009 and before 10/1/2009	23	ATTACHMENT 1			
24 Underpayment on line 17 x Number of days on line 23 / 365 x 4%	24				
25 Number of days on line 20 after 9/30/2009 and before 1/1/2010	25	SEE PENALTY COMPUTATION WHITEPAPER DETAIL			
26 Underpayment on line 17 x Number of days on line 25 / 365 x 4%	26				
27 Number of days on line 20 after 12/31/2009 and before 4/1/2010	27				
28 Underpayment on line 17 x Number of days on line 27 / 365 x 4%	28				
29 Number of days on line 20 after 3/31/2010 and before 7/1/2010	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30				
31 Number of days on line 20 after 6/30/2010 and before 10/1/2010	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32				
33 Number of days on line 20 after 9/30/2010 and before 1/1/2011	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34				
35 Number of days on line 20 after 12/31/2010 and before 2/16/2011	35				
36 Underpayment on line 17 x Number of days on line 35 / 365 x *%	36				
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37				
38 **Penalty.** Add columns (a) through (e) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns	38				365.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov.** You can also call 1-800-829-4933 to get interest rate information.

ATTACHMENT 1

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG.DATE	END DATE	DAYS	%	PENALTY
QUARTER 1, RATE PERIOD 1 (01/15/2010 - 02/15/2011)						
06/16/2010	13,553.	01/15/2010	06/16/2010	152	4	226.
TOTAL FOR QUARTER 1, RATE PERIOD 1						226.
QUARTER 2, RATE PERIOD 1 (03/15/2010 - 02/15/2011)						
06/16/2010	13,553.	03/15/2010	06/16/2010	93	4	138.
TOTAL FOR QUARTER 2, RATE PERIOD 1						138.
QUARTER 3, RATE PERIOD 1 (06/15/2010 - 02/15/2011)						
06/16/2010	13,553.	06/15/2010	06/16/2010	1	4	1.
TOTAL FOR QUARTER 3, RATE PERIOD 1						1.
TOTAL UNDERPAYMENT PENALTY						365.

SCHEDULE O (Form 1120)
(Rev December 2009)
Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name: BUTLER HOSPITAL

Employer identification number: 05-0258812

Part I Apportionment Plan Information

1 Type of controlled group:
- a [ ] Parent-subsidiary group
- b [ ] Brother-sister group
- c [X] Combined group
- d [ ] Life insurance companies only

2 This corporation has been a member of this group:
- a [X] For the entire year.
- b [ ] From _____, until _____.

3 This corporation consents and represents to:
- a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2009, and for all succeeding tax years.
- c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:
- a [ ] Voluntary
- b [ ] Involuntary

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- a [ ] No apportionment plan is in effect and none is being adopted.
- b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- a [X] Yes.
  - (i) [X] The statute of limitation for this year will expire on 08/15/2013.
  - (ii) [ ] On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b [ ] No. The members may not adopt or amend an apportionment plan.

7 Required information and elections under section 1561. Check the applicable box(es) (see instructions).
- a [ ] The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
- b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.
- c [ ] The corporation has a short tax year that does not include December 31.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

	(a) Group member's name and employer identification number	(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket (c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))
1	WOMEN & INFANT HOSPITAL OF RHODE ISLAND 05-0258937	2010-09	25,000	12,500	2,331,654		2,369,154
2	BUTLER HOSPITAL 05-0258812	2010-09	25,000	12,500	165,857		203,357
3	KENT COUNTY MEMORIAL HOSPITAL 05-0258896	2010-09	0	0	0		0
4							
5							
6							
7							
8							
9							
10							
Total			50,000	25,000	2,497,511		2,572,511

RIDOH 1531

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	3,750	3,125	792,762		6,582		806,219
2 BUTLER HOSPITAL	3,750	3,125	56,391		5,168		68,434
3 KENT COUNTY MEMORIAL HOSPITAL	0	0	0	0	0		NONE
4							
5							
6							
7							
8							
9							
10							
Total	7,500	6,250	849,153		11,750		874,653

RIDOH 1532

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	0	0	0		
2 BUTLER HOSPITAL	0	0	0		
3 KENT COUNTY MEMORIAL HOSPITAL	0	40,000	150,000		
4					
5					
6					
7					
8					
9					
10					
Total		40,000	150,000		

RIDOH 1533

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , **2008, and ending** 09/30 , **20**09

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: BUTLER HOSPITAL

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 345 BLACKSTONE BOULEVARD — Room/suite:

City or town, state or country, and ZIP + 4: PROVIDENCE, RI 02906

D Employer identification number: 05-0258812

E Telephone number: (401) 455-6275

G Gross receipts $ 94,699,321.

F Name and address of principal officer: PATRICIA RECUPERO
345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.BUTLER.ORG

K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation: 1844 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT AND TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE CONTINUOUSLY IMPROVING THE WAYS THE HOSPITAL SERVICES PATIENTS.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	23
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	21
5	Total number of employees (Part V, line 2a)	5	1,052
6	Total number of volunteers (estimate if necessary)	6	44
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	199,617.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	166,885.

		Prior Year	Current Year
Revenue			
8	Contribution and grants (Part VIII, line 1h)	12,262,654.	1,208,240.
9	Program service revenue (Part VIII, line 2g)	62,456,444.	84,983,332.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,573,321.	485,224.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,496,615.	652,786.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	77,789,034.	87,329,582.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	450,000.	450,000.
14	Benefits paid to or for members (Part IX, column (A), line 4)	NONE	NONE
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	54,803,617.	63,525,847.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	NONE	NONE
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 397,665.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	19,622,704.	20,653,935.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	74,876,321.	84,629,782.
19	Revenue less expenses. Subtract line 18 from line 12	2,912,713.	2,699,800.

		Beginning of Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	72,104,672.	74,792,923.
21	Total liabilities (Part X, line 26)	30,837,424.	37,016,766.
22	Net assets or fund balances. Subtract line 21 from line 20	41,267,248.	37,776,157.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Susan Duell — Date: 8/5/2010 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions): P00233523

Firm's name (or yours if self-employed), address, and ZIP + 4: ERNST & YOUNG U.S. LLP, 75 BEATTIE PL, STE 800 GREENVILLE, NC 29601 — EIN ▶ 34-6565596 — Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (See instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

JSA
8E1010 2.000
4IV0MQ F227 60087450 4

RIDOH 1535

Part III **Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:
SEE STATEMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 71,284,109. including grants of $ 450,000.) (Revenue $ 83,973,258.)
SEE STATEMENT 1

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.) SEE STATEMENT 4
(Expenses $ including grants of $) (Revenue $ 1,012,302.)

4e Total program service expenses ▶ $ 71,284,109. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		X
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8	X	
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5,? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

RIDOH 1537

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 99		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 1,052		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		X
b	If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	1a 23		
b	Enter the number of voting members that are independent	1b 21		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶BONNIE BAKER, VP FINANCE/CFO 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906 401-455-6275

RIDOH 1540

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SEE SCHEDULE J-2										

RIDOH 1541

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								3,493,435.	NONE	669,749.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 80

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 5		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 18

RIDOH 1542

Part VIII Statement of Revenue 05-0258812

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513 or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 14,852.				
	b Membership dues	1b 7,450.				
	c Fundraising events	1c 68,205.				
	d Related organizations	1d				
	e Government grants (contributions)	1e 130,965.				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 986,768.				
	g Noncash contributions included in lines 1a-1f: $ 15,765.					
	h **Total.** Add lines 1a-1f		1,208,240.			
Program Service Revenue		**Business Code**				
	2a PATIENT REVENUE	900099	57,728,907.	57,728,907.		
	b OTHER PATIENT CARE	900099	13,546,684.	13,546,684.		
	c RENTAL INCOME OR (LOSS)	531120	1,010,074.	1,010,074.		
	d RESEARCH REVENUE	541900	12,697,667.	12,697,667.		
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		84,983,332.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		1,105,977.			1,105,977.
	4 Income from investment of tax-exempt bond proceeds		NONE			
	5 Royalties		NONE			
		(i) Real / (ii) Personal				
	6a Gross Rents	779,834.				
	b Less. rental expenses	585,510.				
	c Rental income or (loss)	194,324.				
	d Net rental income or (loss)		194,324.		194,324.	
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	6,052,270. / 50,000.				
	b Less cost or other basis and sales expenses	6,723,023.				
	c Gain or (loss)	-670,753. / 50,000.				
	d Net gain or (loss)		-620,753.			-620,753.
	8a Gross income from fundraising events (not including $ 68,205. of contributions reported on line 1c). See Part IV, line 18. a	54,349.				
	b Less direct expenses b	59,936.				
	c Net income or (loss) from fundraising events		-5,587.			-5,587.
	9a Gross income from gaming activities. See Part IV, line 19. a	551.				
	b Less: direct expenses b	1,270.				
	c Net income or (loss) from gaming activities		-719.			-719.
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory		NONE			
	Miscellaneous Revenue	**Business Code**				
	11a CAFETERIA SALES	722210	374,930.			374,930.
	b GIFT SHOP SALES	453220	81,675.			81,675.
	c VENDOR SALES	900099	5,935.		5,293.	642.
	d All other revenue	900099	2,228.	2,228.		
	e **Total.** Add lines 11a-11d		464,768.			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		87,329,582.	84,985,560.	199,617.	936,165.

RIDOH 1543

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	450,000.	450,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	NONE			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	NONE			
4 Benefits paid to or for members	NONE			
5 Compensation of current officers, directors, trustees, and key employees	2,711,905.	947,831.	1,764,074.	NONE
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	NONE			
7 Other salaries and wages	48,595,287.	42,973,791.	5,330,533.	290,963.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	1,065,360.	953,874.	105,278.	6,208.
9 Other employee benefits	7,698,806.	6,893,158.	760,789.	44,859.
10 Payroll taxes	3,454,489.	3,092,991.	341,370.	20,128.
11 Fees for services (non-employees):				
a Management	293,651.	195,278.	98,373.	NONE
b Legal	191,608.	NONE	191,608.	NONE
c Accounting	28,572.	NONE	28,572.	NONE
d Lobbying	3,429.	NONE	3,429.	NONE
e Professional fundraising services. See Part IV, line 17	NONE			
f Investment management fees	NONE			
g Other	NONE			
12 Advertising and promotion	219,402.	NONE	219,402.	NONE
13 Office expenses	355,669.	214,439.	136,776.	4,454.
14 Information technology	1,446,522.	NONE	1,446,522.	NONE
15 Royalties	NONE			
16 Occupancy	30,339.	30,339.	NONE	NONE
17 Travel	69,931.	40,563.	28,361.	1,007.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	NONE			
19 Conferences, conventions, and meetings	NONE			
20 Interest	202,107.	142,393.	59,714.	NONE
21 Payments to affiliates	NONE			
22 Depreciation, depletion, and amortization	2,635,228.	2,126,840.	508,388.	NONE
23 Insurance	328,289.	256,154.	72,135.	NONE
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a RESEARCH	4,586,205.	4,586,205.	NONE	NONE
b PURCHASED SERVICES	2,172,140.	1,176,387.	995,753.	NONE
c BAD DEBT EXPENSE	1,789,361.	1,789,361.	NONE	NONE
d MEDICAL SUPPLIES AND DRUGS	1,405,871.	1,405,871.	NONE	NONE
e FOOD COSTS	989,464.	662,941.	326,523.	NONE
f All other expenses	3,906,147.	3,345,693.	530,408.	30,046.
25 **Total functional expenses.** Add lines 1 through 24f	84,629,782.	71,284,109.	12,948,008.	397,665.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1544

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing	11,618.	1	35,465.
	2	Savings and temporary cash investments	14,705,361.	2	19,809,104.
	3	Pledges and grants receivable, net	1,609,329.	3	1,450,133.
	4	Accounts receivable, net	4,878,765.	4	5,375,115.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sales or use	220,943.	8	218,603.
	9	Prepaid expenses and deferred charges	3,377,631.	9	3,559,374.
	10a	Land, buildings, and equipment: cost basis 10a 60,680,212.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D 10b 38,232,686.	22,959,377.	10c	22,447,526.
	11	Investments - publicly traded securities	22,631,125.	11	17,203,268.
	12	Investments - other securities. See Part IV, line 11		12	2,815,386.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,710,523.	15	1,878,949.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	72,104,672.	16	74,792,923.
Liabilities	17	Accounts payable and accrued expenses	15,960,204.	17	16,623,337.
	18	Grants payable		18	
	19	Deferred revenue	65,585.	19	87,131.
	20	Tax-exempt bond liabilities	4,764,505.	20	4,633,668.
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	6,076,444.	23	5,668,882.
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	3,970,686.	25	10,003,748.
	26	**Total liabilities.** Add lines 17 through 25	30,837,424.	26	37,016,766.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	22,100,675.	27	19,347,270.
	28	Temporarily restricted net assets	4,782,453.	28	16,088,520.
	29	Permanently restricted net assets	14,384,120.	29	2,340,367.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	41,267,248.	33	37,776,157.
	34	Total liabilities and net assets/fund balances	72,104,672.	34	74,792,923.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b		X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits?	3b	X	

RIDOH 1545

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	**Employer identification number**
BUTLER HOSPITAL	05-0258812

Part I **Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally Integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? **11g(i)**		
(ii) A family member of a person described in (i) above? **11g(ii)**		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? **11g(iii)**		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (See instructions.) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances"" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

RIDOH 1547

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1548

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 1549

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, and 990-PF.

OMB No. 1545-0047

2008

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

[X] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) . . . . . ▶ $ _____

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		$ 42,676.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3		$ 7,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4		$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b)	(c) Aggregate contributions	(d) Type of contribution
7		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10		$ 12,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
11		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
12		$ 100,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization BUTLER HOSPITAL

Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13		$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
14		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
15		$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
16		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
17		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
18		$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

Name of organization BUTLER HOSPITAL | Employer identification number 05-0258812

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
20		$ 130,965.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
21		$ 5,723.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
22		$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
23		$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **To be completed by organizations described below.**

▶ **Attach to Form 990 or Form 990-EZ.**

OMB No. 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations. Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations. Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(cy)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)). Complete Part II-B Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III.

Name of organization	Employer identification number
BUTLER HOSPITAL	05-0258812

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.

See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B To be completed by all organizations exempt under section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

A Check ▶ ☐ if the filing organization belongs to an affiliated group.

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a		
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c		
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i	Other activities? If "Yes," describe in Part IV	X		3,429.
j	Total lines 1c through 1i			3,429.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY EXPLANATION

SCHEDULE C, PART II-B, LINE 1I

THE HOSPITAL PAID $3,429 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE HEALTH CARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.AHA.ORG.

RIDOH 1558

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a [X] Public exhibition
b [ ] Scholarly research
c [X] Preservation for future generations
d [ ] Loan or exchange programs
e [ ] Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . [ ] Yes [X] No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . [ ] Yes [ ] No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	18,436,605.				
b Contributions	192,208.				
c Investment earnings or losses	-816,844.				
d Grants or scholarships					
e Other expenditures for facilities and programs	803,371.				
f Administrative expenses					
g End of year balance	17,008,598.				

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ 20.3700 %
b Permanent endowment ▶ 11.5700 %
c Term endowment ▶ 68.0600 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land				
b Buildings	4,100,251.	38,768,949.	26,122,988.	16,746,212.
c Leasehold improvements				
d Equipment	154,202.	14,372,486.	9,876,719.	4,649,969.
e Other	309,738.	2,974,586.	2,232,979.	1,051,345.
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				22,447,526.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	56,675.
ACCRUED INTEREST	2,907.
DEFERRED COMPENSATION	2,006,816.
PENSION LIABILITY	6,195,852.
ASSET RETIREMENT OBLIGATION	646,286.
DUE TO AFFILIATES	1,095,212.
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	10,003,748.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1561

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SEE PAGE 5

RIDOH 1562

Part XIV Supplemental Information *(continued)*

WORKS OF ART

SCHEDULE D, PART III, LINE 1A

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. AT THE TIME OF THE DONATION, THE WORKS OF ART WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND WERE HELD FOR PUBLIC EXHIBITION AND FOR PRESERVATION FOR FUTURE GENERATIONS. IN ACCORDANCE WITH STATEMENT OF FINANCIAL ACCOUNTING STANDARDS NO. 116, ACCOUNTING FOR CONTRIBUTIONS RECEIVED AND CONTRIBUTIONS MADE, THE HOSPITAL DOES NOT RECOGNIZE AND CAPITALIZE ITS COLLECTIONS FOR FINANCIAL STATEMENT PURPOSES. THE VALUE OF THE HOSPITAL'S COLLECTIONS IS NOT CONSIDERED MATERIAL TO THE HOSPITAL'S FINANCIAL STATEMENTS; THEREFORE THE EXISTENCE OF THESE COLLECTIONS IS NOT SEPARATELY DISCLOSED IN THE FOOTNOTES TO THE HOSPITAL'S FINANCIAL STATEMENTS. IN FISCAL 2009, THE HOSPITAL'S TRUSTEES VOTED TO SELL TWO OF THE HOSPITAL'S WORKS OF ART. THESE TWO WORKS OF ART REPRESENTED APPROXIMATELY 90 PERCENT OF THE VALUE OF THE HOSPITAL'S COLLECTION. IN APRIL, 2009, THE HOSPITAL ENTERED INTO A MEMORANDUM OF UNDERSTANDING TO SELL THESE TWO WORKS OF ART TO A NEW YORK GALLERY FOR $500,000. THE HOSPITAL RECEIVED $125,000 FROM THIS GALLERY IN FISCAL 2009. OF THE TOTAL RECEIVED, $50,000, A NON-REFUNDABLE DEPOSIT, WAS RECOGNIZED AS A GAIN ON DISPOSAL OF ASSETS ON THE HOSPITAL'S STATEMENT OF OPERATIONS AND $75,000, A REFUNDABLE DEPOSIT, WAS RECORDED AS DEFERRED REVENUE IN THE HOSPITAL'S BALANCE SHEET. THE REMAINING BALANCE THAT IS DUE FROM THE GALLERY TOWARDS THE PURCHASE OF THESE WORKS OF ART IS ANTICIPATED TO BE RECEIVED BY DECEMBER 31, 2010.

Part XIV Supplemental Information *(continued)*

WORKS OF ART

SCHEDULE D, PART III, LINE 4

BUTLER HOSPITAL HOLDS VARIOUS WORKS OF ART THAT WERE DONATED TO THE ORGANIZATION IN THE EARLY TO MID-1900'S. THE WORKS OF ART INCLUDE WATERCOLORS ON PAPER AND OILS ON CANVAS BY VARIOUS ARTISTS. THE COLLECTION ALSO INCLUDES A SIMON WILLARD CLOCK. THE DONATED ITEMS WERE ADDED TO THE HOSPITAL'S COLLECTIONS AND ARE HELD FOR CHARITABLE PURPOSES, FURTHERING THE ORGANIZATION'S EXEMPT PURPOSES. THE MOST SIGNIFICANT USES OF THE HOSPITAL'S COLLECTIONS ARE PUBLIC EXHIBITION AND THE PRESERVATION FOR FUTURE GENERATIONS. MANY OF THE OILS ON CANVAS ARE PORTRAITS OF THE ORIGINAL FOUNDERS OF THE HOSPITAL AND ARE THEREFORE, ALSO HISTORICALLY RELEVANT TO THE ORGANIZATION.

INTENDED USES OF THE ORGANIZATION'S ENDOWMENT FUNDS

SCHEDULE D, PART V, LINE 4

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THESE PURPOSES INCLUDE GENERAL PURPOSES, HEALTHCARE SERVICES, HEALTHCARE RESEARCH, INDIGENT CARE, HEALTH AND EDUCATION AND MAINTENANCE OF PROPERTY AND EQUIPMENT.

Schedule F (Form 990)

Statement of Activities Outside the United States

OMB No. 1545-0047

2008

Open to Public Inspection

Department of the Treasury
Internal Revenue Service

▶ **Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b line 15, or line 16.**

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
NORTH AMERICA	NONE	NONE	PROGRAM SERVICES	RSRCH STUDY CONSULTING	12,500.
Totals . . . . . ▶	NONE	NONE			12,500.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule F (Form 990) 2008**

JSA

8E1274 1.000

4IV0MQ F227 60087450

RIDOH 1565

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶

RIDOH 1566

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

RIDOH 1567

Part IV **Supplemental Information**
Complete this part to provide the information required in Part I, line 2, and any other additional information.

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

SCHEDULE F, PART I, LINE 2

THE HOSPITAL OBTAINS AN INDEPENDENT CONTRACTOR AGREEMENT FOR CONSULTANTS WORKING ON RESEARCH STUDIES. THE INDEPENDENT CONTRACTOR AGREEMENT DESCRIBES WORK TO BE PERFORMED BY THE CONSULTANT AND PAYMENT TERMS. THE PRINCIPAL INVESTIGATOR OF THE STUDY, A BUTLER HOSPITAL EMPLOYEE, MONITORS THE WORK PERFORMED BY THE CONSULTANT PER THE TERMS OF THE INDEPENDENT CONTRACTOR AGREEMENT. UPON SATISFACTORY COMPLETION OF THE WORK PERFORMED, THE PRINCIPAL INVESTIGATOR APPROVES PAYMENT TO THE CONSULTANT BY GENERATING A REQUEST FOR PAYMENT AND SUBMITTING THE REQUEST TO THE ACCOUNTS PAYABLE DEPARTMENT OF THE HOSPITAL.

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.

OMB No. 1545-0047
2008
Open To Public Inspection

Name of the organization
BUTLER HOSPITAL

Employer identification number
05-0258812

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total . . . . . ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 SILENT AUCTION (event type)	(c) Other Events NONE (total number)	(d) Total Events (Add col. (a) through col. (c))
Revenue	1 Gross receipts	99,925.	22,629.	NONE	122,554.
	2 Less: Charitable contributions	55,361.	12,844.	NONE	68,205.
	3 Gross revenue (line 1 minus line 2)	44,564.	9,785.	NONE	54,349.
Direct Expenses	4 Cash prizes	NONE	NONE	NONE	NONE
	5 Non-cash prizes	10,905.	NONE	NONE	10,905.
	6 Rent/facility costs	29,861.	NONE	NONE	29,861.
	7 Other direct expenses	6,326.	12,844.	NONE	19,170.
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(59,936.)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				-5,587.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities: _____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain: _____			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain: _____			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Provide the name and address of the person who prepares the organization's gaming/special event books and records:			
	Name ▶ _____			
	Address ▶ _____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.			
c	If "Yes," enter name and address:			
	Name ▶ _____			
	Address ▶ _____			
16	Gaming manager information:			
	Name ▶ _____			
	Gaming manager compensation ▶ $ _____			
	Description of services provided ▶ _____			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care. ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
b	If "Yes," does the organization make it available to the public?	6b		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *Worksheets 1 and 2*)						
b Unreimbursed Medicaid (from *Worksheet 3, column a*)						
c Unreimbursed costs - other means-tested government programs (from *Worksheet 3, column b*)						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities. *(Optional for 2008)*

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III **Bad Debt, Medicare, & Collection Practices** *(Optional for 2008)*

Section A. Bad Debt Expense

		Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		
2 Enter the amount of the organization's bad debt expense (at cost)	2		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5		
6 Enter Medicare allowable costs of care relating to payments on line 5	6		
7 Enter line 5 less line 6 - surplus or (shortfall)	7		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used: ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other			

Section C. Collection Practices

9a Does the organization have a written debt collection policy?	9a		
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV **Management Companies and Joint Ventures** *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 1573

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
BUTLER HOSPITAL 345 BLACKSTONE BOULEVARD PROVIDENCE RI 02906	X			X		X			

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RIDOH 1575

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BROWN UNIVERSITY DEPARTMENT OF PSYCHIATRY 42 CHARLSFIELD STREET BOX T	05-0258809	501(C)(3)	150,000.				RESEARCH & EDUCATION

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶ NONE

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2008

JSA
8E1288 2.000

RIDOH 1576

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

FORM 990, SCHEDULE I

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

THE HOSPITAL'S CHIEF EXECUTIVE OFFICER AND CLINICAL DIRECTOR PARTICIPATE

IN MONTHLY MANAGEMENT MEETINGS OF BROWN UNIVERSITY'S DEPARTMENT OF

PSYCHIATRY. MONTHLY MANAGEMENT MEETING DISCUSSIONS INCLUDE SETTING OF

THE PRIORITIES FOR THE SPENDING OF CONTRIBUTED FUNDS. IN ADDITION, ON AN

ANNUAL BASIS, BROWN UNIVERSITY'S DEPARTMENT OF PSYCHIATRY PROVIDES ITS

OPERATING BUDGET AND ACTUAL EXPENSES TO BUTLER HOSPITAL

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	**1b**		X
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	**2**	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	**4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	**4b**	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	**4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	**5a**		X
b	Any related organization?	**5b**		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	**6a**	X	
b	Any related organization?	**6b**	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	**7**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	**8**		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
PATRICIA R. RECUPERO, M.D	(i)	377,577.	167,163.	72,337.	241,167.	20,573.	878,817.	19,788.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
BONNIE L. BAKER, C.P.A.	(i)	239,715.	82,255.	39,443.	84,441.	18,801.	464,655.	10,706.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
WALTER A. DIAS	(i)	232,348.	72,115.	18,302.	79,443.	18,394.	420,602.	11,280.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
LINDA DAMON, R.N., A.R.N.	(i)	195,828.	52,048.	19,948.	59,348.	11,245.	338,417.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
STEVEN RASMUSSEN, M.D.	(i)	299,126.	189,703.	15,272.	49,751.	18,294.	572,146.	123,657.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
LAWRENCE PRICE, M.D.	(i)	250,457.	67,083.	26,419.	NONE	1,824.	345,783.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
GHULAM SURTI, M.D.	(i)	222,780.	48,239.	-6,357.	NONE	16,196.	280,858.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
LISA SHEA, M.D.	(i)	209,203.	44,433.	9,174.	NONE	15,953.	278,763.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
CHARLES STAUNTON, M.D.	(i)	209,315.	14,971.	32,210.	NONE	16,406.	272,902.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DAWN PICOTTE, M.D.	(i)	215,916.	22,906.	16,238.	1,150.	16,763.	272,973.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

RIDOH 1579

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, LINE 1A

HEALTH OR SOCIAL CLUB DUES

A WRITTEN POLICY IS NOT NEEDED AS THE PAYMENTS MADE TO SOCIAL CLUB FOR DUES ARE MADE IN ACCORDANCE WITH EMPLOYMENT CONTRACTS.

SCHEDULE J, PART I, LINE 4B

PATRICIA R. RECUPERO, J.D., M.D., PRESIDENT/CEO OF THE HOSPITAL, PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE TOTAL 2008 CONTRIBUTION TO THE NONQUALIFIED PLAN WAS $124,892 AND IS REPORTED AS RETIREMENT AND OTHER DEFERRED COMPENSATION IN DR. RECUPERO'S 2008 COMPENSATION.

SCHEDULE J, PART I, LINE 6A & 6B

SHORT TERM INCENTIVE PROGRAM/LONG TERM INCENTIVE PROGRAM

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH

RIDOH 1580

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SHORT TERM AND LONG TERM INCENTIVE PROGRAMS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS:

- QUALITY
- FINANCIAL
- PATIENT SATISFACTION

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS:

- NET INCOME FROM OPERATIONS
- MARKET SHARE

RIDOH 1581

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

- PATIENT SATISFACTION

- STRATEGIC OBJECTIVE

RIDOH 1582

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

BUTLER HOSPITAL

Employer Identification number

05-0258812

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
CHARLES R. REPPUCCI CHAIR	4.	X						NONE	NONE	NONE
ALLEN H. CICCHITELLI VICE CHAIR	4.	X						NONE	NONE	NONE
STANLEY M. ARONSON, M.D. VICE CHAIR	3.	X						NONE	NONE	NONE
JOHN J. MCNAMEE TREASURER	3.	X						NONE	NONE	NONE
DEAN T. HOLT ASSISTANT TREASURER	2.	X						NONE	NONE	NONE
KEKIN A. SHAH SECRETARY	2.	X						NONE	NONE	NONE
PHYLLIS C. FIELD ASSISTANT SECRETARY	2.	X						NONE	NONE	NONE
WILLIAM J. ALLEN TRUSTEE	2.	X						NONE	NONE	NONE
EARL D. CHAMBERS TRUSTEE	3.	X						NONE	NONE	NONE
ROBERT E. DEBLOIS TRUSTEE	2.	X						NONE	NONE	NONE
MARGARET D. FARRELL TRUSTEE	2.	X						NONE	NONE	NONE
MICHAEL FOLLICK, PH.D. TRUSTEE	2.	X						NONE	NONE	NONE
RABBI LESLIE Y. GUTTERMAN TRUSTEE	2.	X						NONE	NONE	NONE
DENNIS B. LANGLEY TRUSTEE	2.	X						NONE	NONE	NONE
DIANE LIPSCOMBE, PH.D. TRUSTEE	2.	X						NONE	NONE	NONE
LEWIS P. LIPSITT, PH.D. TRUSTEE	2.	X						NONE	NONE	NONE
MARY B. OLENN TRUSTEE	2.	X						NONE	NONE	NONE
ROBERT G. PADULA TRUSTEE	2.	X						NONE	NONE	NONE
ARTHUR S. ROBBINS TRUSTEE	2.	X						NONE	NONE	NONE
ANTHONY V. ROCHA, M.D. TRUSTEE	2.	X						NONE	NONE	NONE
GARY R. ST. PETER TRUSTEE	2.	X						NONE	NONE	NONE

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

BUTLER HOSPITAL

Employer Identification number

05-0258812

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
PATRICIA R. RECUPERO, M.D., J.D. PRESIDENT/CEO	60.	X		X				617,077.	NONE	261,740.
JAMES K. SULLIVAN, M.D. PRESIDENT, MEDICAL STAFF	15.	X		X				37,268.	NONE	NONE
BONNIE L. BAKER, C.P.A. VICE PRESIDENT/CFO	60.			X				361,413.	NONE	103,242.
WALTER A. DIAS VICE PRESIDENT/COO	60.			X				322,765.	NONE	97,837.
LINDA DAMON, R.N., A.R.N.P. VICE PRESIDENT/CNO	60.			X				267,824.	NONE	70,593.
STEVEN RASMUSSEN, M.D. MEDICAL DIRECTOR	60.			X				504,101.	NONE	68,045.
LAWRENCE PRICE, M.D. CLINICAL DIRECTOR	60.					X		343,959.	NONE	1,824.
GHULAM SURTI, M.D. UNIT CHIEF	60.					X		264,662.	NONE	16,196.
LISA SHEA, M.D. PSYCHIATRIST	60.					X		262,810.	NONE	15,953.
CHARLES STAUNTON, M.D. ASSOCIATE MEDICAL DIRECTOR	60.					X		256,496.	NONE	16,406.
DAWN PICOTTE, M.D. PSYCHIATRIST	60.					X		255,060.	NONE	17,913.

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990, PART VI

CORPORATE GOVERNANCE

FORM 990, PART VI, QUESTION 3

THE HOSPITAL ENGAGES SODEXHO MANAGEMENT, INC. TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO SODEXHO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXHO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

FORM 990, PART VI, QUESTION 6

THE CORPORATION HAS A CORPORATE MEMBER AND INDIVIDUAL MEMBERS.

FORM 990, PART VI, QUESTION 7A

BOARD OF TRUSTEES

COMPOSITION AND ELECTION OF BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EXOFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY THE INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUALMEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL

RIDOH 1585

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

INCLUDE ONE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS ANDTHE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE CORPORATE MEMBER AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THEIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OFTHE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OFTHE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

FORM 990, PART VI, QUESTION 7B

RIGHTS OF CORPORATE MEMBER

RESERVED POWERS. NOT WITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OFTHE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR PLEDGES BY OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY

RIDOH 1587

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

FORM 990, PART VI, SECTION A, QUESTION 10

FORM 990 REVIEW PROCESS

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT OF FINANCE AND THE CHIEF FINANCIAL OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R) ARE PRESENTED BY THE ASSOCIATE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITHTHE INTERNAL REVENUE SERVICE.

FORM 990, PART VI, QUESTION 12C

COMPLIANCE WITH WRITTEN CONFLICT OF INTEREST POLICY

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE

RIDOH 1588

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS.

INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVE A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

FORM 990, PART VI, QUESTION 15A

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR CNE'S EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS

THE COMMITTEE WILL BE COMPRISED OF AT LEAST 7 DIRECTORS, ALL OF WHOM SHALL BE OUTSIDERS, AT LEAST ONE MEMBER OF THE BOARD FROM EACH OF THE OPERATING ENTITIES (KENT HOSPITAL, WOMEN & INFANTS HOSPITAL, BUTLER

RIDOH 1589

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

HOSPITAL, AND THE VNA) AS WELL AS FROM THE CNE BOARD SERVE ON THE COMMITTEE. THE CNE PRESIDENT & CEO ("THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE CNE PRESIDENT & CEO.

OUTSIDE ADVISORS

THE COMMITTEE SHALL HAVE THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNSEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING THE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBILITY

THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958(INTERMEDIATE SANCTIONS). SPECIFICALLY, THE COMMITTEE IS ACCOUNTABLE AND ULTIMATELY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

- ESTABLISH AND OVERSEE CNE'S EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.
- IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.
- ANNUALLY REVIEW AND APPROVE CNE GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; SET BASE SALARY; DETERMINE THE ANNUAL INCENTIVE AND LONG-TERM INCENTIVE AWARDS BASED ON CNE AND INDIVIDUAL PERFORMANCE.
- ANNUALLY REVIEW THE CEO'S RECOMMENDATIONS FOR BASE SALARY, ANNUAL AND LONG-TERM INCENTIVE AWARDS, ETC. FOR THE OPERATING ENTITY PRESIDENT &

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

CEO'S, WHICH ARE MADE IN CONSULTATION WITH EACH OPERATING ENTITIES' BOARD.

FORM 990, PART VI, QUESTION 15B

BUTLER HOSPITAL

COMPENSATION COMMITTEE PROCESS

THE BUTLER HOSPITAL COMPENSATION COMMITTEE IS COMPRISED OF:

- THE CHAIRMAN OF THE BOARD
- APPROXIMATELY THREE INDEPENDENT TRUSTEES

ALSO IN ATTENDANCE FOR A PORTION OF THE COMPENSATION COMMITTEE MEETINGS ARE:

- THE CNE CEO
- THE BUTLER HOSPITAL CEO
- THE CNE CHIEF HR OFFICER

THE COMMITTEE MEETS IN OCTOBER - NOVEMBER OF EACH YEAR TO REVIEW NATIONAL EXECUTIVE COMPENSATION DATA. IT MAY ENGAGE A CONSULTANT IN THIS PROCESS.

THE COMMITTEE REVIEWS THE GOALS AND PERFORMANCE OF THE CEO AND MAKES RECOMMENDATIONS TO THE SYSTEM CEO REGARDING SALARY ADJUSTMENTS AND INCENTIVE PLANS. THE COMMITTEE REVIEWS THE GOALS AND PERFORMANCES OF THE BUTLER HOSPITAL VP'S AND MAKES RECOMMENDATIONS REGARDING SALARY ADJUSTMENTS AND INCENTIVE PLANS. THE COMMITTEE ALSO PARTICIPATES IN THE DEVELOPMENT OF INCENTIVE GOALS FOR THE COMING YEAR.

RIDOH 1591

Name of the organization: BUTLER HOSPITAL

Employer identification number: 05-0258812

FORM 990

SUPPLEMENTAL INFORMATION

FORM 990, PART VI, QUESTION 19

DISCLOSURE OF GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS AVAILABLE TO PUBLIC

BUTLER HOSPITAL'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

FORM 990, PART XI, QUESTION 2

BUTLER HOSPITAL'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CNE AUDIT COMMITTEE.

RIDOH 1592

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

BUTLER HOSPITAL

Employer identification number

05-0258812

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
CARRIAGE HOUSE, LLC 20-8277056 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	RENTAL ESTATE	RI	772,725.	3,939,420.	BUTLER HOSP

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
SEE SCHEDULE R-1					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

JSA
8E1307 1.000

RIDOH 1593

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
TOLL GATE INDEMNITY, LTD 34-2028514 455 TOLL GATE ROAD WARWICK, RI 02886	INSURANCE	CJ	KCMH	C			
W&I INDEMNITY, LTD 98-0159342 300 RICHMOND STREET PROVIDENCE, RI 02903	INSURANCE	CJ	WIHRI	C			

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

			Yes	No
1	During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	KENT COUNTY MEMORIAL HOSPITAL	N	730,817.
(2)	KENT COUNTY MEMORIAL HOSPITAL	O	154,561.
(3)	KENT COUNTY MEMORIAL HOSPITAL	P	9,134,998.
(4)	WOMEN & INFANTS HOSPITAL	N	461,455.
(5)	WOMEN & INFANTS HOSPITAL	O	158,445.
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

JSA
8E1310 1.000

RIDOH 1596

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISIT NURSE	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC

JSA
8E1312 1.000

RIDOH 1597

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount on box 20 of K-1	(J) General or managing partner? Yes	(J) No

JSA
8E1313 1.000

RIDOH 1598

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)		
(8)		
(9)		
(10)		
(11)		
(12)		
(13)		
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION
==========

FORM 990, PART III, LINE 1
BUTLER HOSPITAL STATEMENT OF PROGRAM ACCOMPLISHMENTS

MISSION STATEMENT
PROVIDE TREATMENT OF PSYCHIATRIC ILLNESS IN AN ATMOSPHERE OF DIGNITY AND RESPECT AND TO CONTRIBUTE KNOWLEDGE THROUGH EDUCATION AND RESEARCH WHILE CONTINUOUSLY IMPROVING THE WAYS THE HOSPITAL SERVICES ITS PATIENTS AND THE COMMUNITY.

BUTLER HOSPITAL OVERVIEW
BUTLER HOSPITAL IS THE ONLY PRIVATE, NONPROFIT, ADULT, ADOLESCENT AND CHILD PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL SERVING RHODE ISLAND AND SOUTHEASTERN NEW ENGLAND. FOUNDED IN 1844, IT WAS THE FIRST HOSPITAL IN RHODE ISLAND. SINCE ITS FOUNDING 165 YEARS AGO, THE HOSPITAL HAS EARNED A REPUTATION AS THE LEADING PROVIDER OF INNOVATIVE PSYCHIATRIC TREATMENTS IN THE REGION. A MEMBER OF THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATED WITH THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, THE HOSPITAL IS ALSO RECOGNIZED WORLDWIDE AS A PIONEER IN CONDUCTING CUTTING-EDGE RESEARCH.

PSYCHIATRIC TREATMENT PROGRAMS AND SERVICES
BUTLER HOSPITAL PROVIDES ASSESSMENT AND TREATMENT FOR ALL MAJOR PSYCHIATRIC ILLNESSES AND SUBSTANCE ABUSE. ACUTE INPATIENT CARE IS PROVIDED ON SEVEN DISTINCT PATIENT CARE UNITS: ADDICTIONS, CHILDREN'S INTENSIVE TREATMENT, ADOLESCENT, ADULT INTENSIVE TREATMENT, TWO ADULT GENERAL TREATMENT UNITS, AND A UNIT FOR SENIORS WITH DEMENTIAS AND RELATED BEHAVIORAL PROBLEMS. IN ADDITION, THE HOSPITAL HAS PSYCHIATRIC AND SUBSTANCE ABUSE DAY PROGRAMS THAT ALLOW PATIENTS TO RECEIVE INTENSIVE CARE DURING THE DAY AND TO RETURN TO THEIR HOMES AT NIGHT.

HOSPITAL PROGRAMS AND SERVICES:
ALCOHOL AND DRUG TREATMENT
CHILD & ADOLESCENT
CHILDREN'S INTENSIVE TREATMENT UNIT (CITU)
DEVELOPMENTAL DISABILITIES
EATING DISORDERS
MEMORY DISORDERS
MOOD DISORDERS
NEUROLOGY
NEUROPSYCHIATRY
NEUROPSYCHOLOGY
OBSESSIVE COMPULSIVE DISORDER
ONLINE MENTAL HEALTH SCREENINGS
PARTIAL HOSPITAL
PASTORAL CARE

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

PATIENT ASSESSMENT SERVICES (PAS)
PATIENT/FAMILY EDUCATION CENTER
PATIENT SUPPORT GROUPS
POST TRAUMATIC STRESS DISORDER
PSYCHOLOGY
PSYCHOLOGICAL ASSESSMENTS
PSYCHOTIC DISORDERS
SENIOR TREATMENT
WOMEN'S DIALECTICAL BEHAVIOR THERAPY
WOMEN'S PARTIAL HOSPITAL

RESEARCH:
PHYSICIANS AND PSYCHOLOGISTS AT BUTLER CONDUCT ONGOING RESEARCH THAT IS ADVANCING NEW DIAGNOSTIC CAPABILITIES AND INNOVATIVE TREATMENTS FOR SERIOUS MENTAL ILLNESSES, CURRENT RESEARCH PROJECTS INCLUDE:
ADDICTIONS
BODY DYSMORPHIC DISORDER
DEPRESSION
DEEP BRAIN STIMULATION
EXERCISE AND ADDICTIONS
FAMILY ISSUES
MARITAL AND FAMILY VIOLENCE
MEMORY DISORDERS
MOOD DISORDERS
OBSESSIVE COMPULSIVE DISORDER
TRANSDISCIPLINARY RESEARCH
SMOKING CESSATION

TEACHING PROGRAMS:
BROWN RESIDENCY TRAINING
BROWN PSYCHOLOGY INTERNSHIPS
BROWN MEDICAL SCHOOL CORE PSYCHIATRY SEMINARS
BUTLER HOSPITAL/CCRI NURSING PROGRAM
OCCUPATIONAL THERAPY INTERNSHIPS
PHARMACY INTERNSHIPS
PROFESSIONAL CONTINUING EDUCATION PROGRAMS
PUBLIC INFORMATION PROGRAMS
PROFESSIONAL LECTURE SERIES
SOCIAL WORK STUDENTS

STATISTICS 2008/2009:
INPATIENT DAYS: 43,316
INPATIENT DISCHARGES: 5,425
PARTIAL HOSPITAL DAYS: 14,121
INPATIENT AVERAGE LENGTH OF STAY: 8.0
AMBULATORY VISITS: 16,360

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

UNCOMPENSATED PATIENT CARE: $3.2 MILLION

FORM 990, PART III, LINE 4D - OTHER PROGRAM SERVICES

DESCRIPTION	GRANTS	EXPENSES	REVENUE
RENTAL INCOME			1,010,074.
EMPLOYEE PHARMACY			2,228.
TOTALS			1,012,302.

RIDOH 1604

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
BROWN UNIVERSITY 42 CHARLSFIELD STREET, BOX T PROVIDENCE, RI 02912	PROG ADMIN&GRANT SUB	2,325,975.
QUEST DIAGNOSTICS INCORPORATED 12436 COLLECTIONS CENTER DRIVE CHICAGO, IL 60693	LAB SERVICES	475,693.
APF-FBO NURSES 24/7 DEPT 595, PO BOX 17553 BALTIMORE, MD 21203	NURSING STAFF	369,156.
SODEXHO, INC & AFFILIATES PO BOX 81049 WOBURN, MA 01813	CONTRACT FOOD SVCS	289,295.
PHALANX ENGINEERING, INC 28 GARDNER AVENUE CRANSTON, RI 02910	HVAC SERVICES	254,860.
	TOTAL COMPENSATION	3,714,979.

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990-T** Department of the Treasury Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2008 or other tax year beginning 10/01, 2008, and ending 09/30, 2009. ▶ See separate instructions.

OMB No. 1545-0687

2008

Open to Public Inspection for 501(c)(3) Organizations Only

A [ ] Check box if address changed

B Exempt under section
[X] 501(C)(3)
[ ] 408(e) [ ] 220(e)
[ ] 408A [ ] 530(a)
[ ] 529(a)

C Book value of all assets at end of year: 74,792,923.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.)
BUTLER HOSPITAL

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
345 BLACKSTONE BOULEVARD

City or town, state, and ZIP code
PROVIDENCE, RI 02906

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)
05-0258812

E Unrelated business activity codes (See instructions for Block E on page 9.)
531120 532000

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ REAL ESTATE RENTAL & RENTAL SERVICE

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ [X] Yes [ ] No
If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 1

J The books are in care of ▶ BONNIE BAKER, VP FINANCE/CFO Telephone number ▶ 401-455-6275

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales				
b	Less returns and allowances	c Balance ▶ 1c			
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3			
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6	49,153.	66,497.	-17,344.
7	Unrelated debt-financed income (Schedule E)	7	730,681.	519,013.	211,668.
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See page 11 of the instructions; attach schedule.)	12	5,293.	STMT 2	5,293.
13	**Total.** Combine lines 3 through 12	13	785,127.	585,510.	199,617.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)		14	NONE
15	Salaries and wages		15	21,930.
16	Repairs and maintenance		16	
17	Bad debts		17	
18	Interest (attach schedule)		18	
19	Taxes and licenses		19	
20	Charitable contributions (See page 13 of the instructions for limitation rules.)		20	
21	Depreciation (attach Form 4562)	21 NONE		
22	Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	NONE
23	Depletion		23	
24	Contributions to deferred compensation plans		24	
25	Employee benefit programs		25	6,174.
26	Excess exempt expenses (Schedule I)		26	
27	Excess readership costs (Schedule J)		27	
28	Other deductions (attach schedule) SEE STATEMENT 3		28	3,628.
29	**Total deductions.** Add lines 14 through 28		29	31,732.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	167,885.
31	Net operating loss deduction (limited to the amount on line 30)		31	
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	167,885.
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)		33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	166,885.

RIDOH 1607

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) 25,000. (2) 12,500. (3) 129,385.		
b	Enter organization's share of: (1) Additional 5% tax (not more than $11,750) 3,344. (2) Additional 3% tax (not more than $100,000)		
c	Income tax on the amount on line 34 STMT 4 ▶	35c	54,210.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	54,210.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 17 of the instructions)	40b			
c	General business credit. Attached Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	54,210.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	54,210.
44a	Payments: A 2007 overpayment credited to 2008	44a	52,100.		
b	2008 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44f			
45	**Total payments.** Add lines 44a through 44f			45	52,100.
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ [ ]			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	2,110.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	NONE
49	Enter the amount of line 48 you want: **Credited to 2009 estimated tax** ▶ NONE **Refunded** ▶			49	NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

		Yes	No
1	At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶		X
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶ N/A

1	Inventory at beginning of year	1	6	Inventory at end of year	6	
2	Purchases	2	7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3				
4a	Additional section 263A costs (attach schedule)	4a	8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes:	No: X
b	Other costs (attach schedule)	4b				
5	**Total.** Add lines 1 through 4b	5				

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | VP FINANCE/CFO Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer's Use Only

Preparer's signature	Susan Dull	Date 8/5/2010	Check if self-employed [ ]
Preparer's SSN or PTIN	P00233523		
Firm's name (or yours if self-employed), address, and ZIP code	ERNST & YOUNG U.S. LLP 75 BEATTIE PL, STE 800 GREENVILLE, NC 29601	EIN	34-6565596
		Phone no.	864-242-5740

Form **990-T** (2008)

JSA

8E1620 3 000

4IV0MQ F227 60087450 80

RIDOH 1608

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 19)

1 Description of property

(1) 345 BLACKSTONE BLVD. - CLINICIAN OFFICES
(2) 345 BLACKSTONE BLVD. - RAY HALL
(3) 353 & 355 BLACKSTONE BLVD. - SALT / SANDING OF PARKING LOT
(4)

	2 Rent received or accrued	
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)
(1)		29,934.
(2)		7,219.
(3)		12,000.
(4)		
Total	Total	49,153.

3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
SEE STATEMENT 5
58,552.
4,101.
3,844.

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶ 49,153.

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) . . . ▶ 66,497.

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1) SEE STATEMENT 8			
(2)			
(3)			
(4)			

4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals ▶			730,681.	519,013.
Total dividends-received deductions included in column 8 ▶				

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals ▶				

RIDOH 1609

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
STMT 9		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14 ▶			NONE

RIDOH 1610

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND 05-0490997

RIDOH 1611

PART I - LINE 12 - OTHER INCOME

COMMISSIONS - VENDOR SALES	5,293.
PART I - LINE 12 - OTHER INCOME	5,293.

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

TAX RETURN PREPARATION FEE	3,200.
OTHER EXPENSES	428.
PART II - LINE 28 - OTHER DEDUCTIONS	3,628.

FORM 990T - ORGANIZATIONS TAXABLE AS CORPORATIONS - TAX COMPUTATION

1	TAXABLE INCOME FROM LINE 34, PAGE 1, 990-T	166,885.
2	LINE 1 OR THE CORPORATION'S SHARE OF THE $50,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	25,000.
3	SUBTRACT LINE 2 FROM LINE 1	141,885.
4	LINE 3 OR THE CORPORATION'S SHARE OF THE $25,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	12,500.
5	SUBTRACT LINE 4 FROM LINE 3	129,385.
6	LINE 5 OR THE CORPORATION'S SHARE OF THE $9,925,000 TAXABLE INCOME BRACKET, WHICHEVER IS LESS	129,385.
7	SUBTRACT LINE 6 FROM LINE 5	
8	ENTER 15% OF LINE 2	3,750.
9	ENTER 25% OF LINE 4	3,125.
10	ENTER 34% OF LINE 6	43,991.
11	ENTER 35% OF LINE 7	
12	MEMBER'S SHARE OF ADDITIONAL TAX: (A) 5% OF THE EXCESS OVER $100,000 OR (B) $11,750	3,344.
13	MEMBER'S SHARE OF ADDITONAL TAX: (A) 3% OF THE EXCESS OVER $15 MILLION OR (B) $100,000	
14	TOTAL OF LINES 8 THROUGH 13. ENTER THIS AMOUNT ON LINE 35C, PAGE 2, 990-T	54,210.

SCHEDULE C - RENT INCOME DEDUCTIONS

345 BLACKSTONE BLVD. - CLINICIAN OFFICES

SALARIES AND WAGES	29,413.
EMPLOYEE BENEFITS	8,263.
OTHER EXPENSES	11,074.
DEPRECIATION	2,156.
ADMINISTRATIVE AND GENERAL	7,646.
TOTAL	58,552.

SCHEDULE C - RENT INCOME DEDUCTIONS

345 BLACKSTONE BLVD. - RAY HALL

SALARIES AND WAGES	1,296.
EMPLOYEE BENEFITS	364.
OTHER EXPENSES	1,906.
ADMINISTRATIVE AND GENERAL	535.
TOTAL	4,101.

SCHEDULE C - RENT INCOME DEDUCTIONS

353 & 355 BLACKSTONE BLVD. - SALT / SANDING OF PARKING LOT

SALARIES AND WAGES	125.
EMPLOYEE BENEFITS	35.
OTHER EXPENSES	3,182.
ADMINISTRATIVE AND GENERAL	502.
TOTAL	3,844.

SCHEDULE E - UNRELATED DEBT-FINANCED INCOME

1. DESCRIPTION OF DEBT-FINANCED PROPERTY	2. GROSS INCOME	3. DEDUCTIONS DIRECTLY CONNECTED (3A)	(3B)	4. AVERAGE ACQUISITION DEBT	5. AVERAGE ADJUSTED BASIS	6. % 4 IS OF 5	7. GROSS INCOME REPORTABLE (2 X 6)	8. ALLOCABLE DEDUCTIONS 6 * (3A + 3B)
MEDICAL OFFICE BUILDING-CARRIAGE HOUSE	772,725.	154,283.	394,594.	3,881,121.	4,104,423.	94.559	730,681.	519,013.
TOTALS							730,681.	519,013.

RIDOH 1618

SCHD. K, FORM 990-T, COMPENSATION OF OFFICERS, DIRECTORS, & TRUSTEES

NAME AND ADDRESS	TITLE	BUSINESS PERCENT	COMPENSATION
CHARLES R. REPPUCCI 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	CHAIR		NONE
TOTAL COMPENSATION			NONE

SCHEDULE O (Form 1120)
(Rev December 2008)
Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name: BUTLER HOPITAL

Employer identification number: 05-0258812

Part I Apportionment Plan Information

1 Type of controlled group:
- a [ ] Parent-subsidiary group
- b [ ] Brother-sister group
- c [X] Combined group
- d [ ] Life insurance companies only

2 This corporation has been a member of this group:
- a [X] For the entire year.
- b [ ] From _____, until _____.

3 This corporation consents and represents to:
- a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2008, and for all succeeding tax years.
- c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- a [ ] No apportionment plan is in effect and none is being adopted.
- b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

5 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- a [X] Yes.
  - (i) [X] The statute of limitation for this year will expire on 08/15/2013.
  - (ii) [ ] On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b [ ] No. The members may not adopt or amend an apportionment plan.

6 Elections under section 1561. See instructions.
- a [ ] The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
- b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

	(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket (c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))
1	WOMEN & INFANT HOSPITAL OF RHODE IS LAND	05-0258937	2009-09	25,000.	12,500.	3,558,051.		3,595,551.
2	BUTLER HOSPITAL	05-0258812	2009-09	25,000.	12,500.	129,385.		166,885.
3	KENT COUNTY MEMORIAL HOSPITAL	05-0258896	2009-09	NONE	NONE	NONE		NONE
4								
5								
6								
7								
8								
9								
10								
Total				50,000.	25,000.	3,687,436.		3,762,436.

RIDOH 1621

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE IS LAND	3,750.	3,125.	1,209,737.		8,406.		1,225,018.
2 BUTLER HOSPITAL	3,750.	3,125.	43,991.		3,344.		54,210.
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	NONE	NONE		NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total	7,500.	6,250.	1,253,728.		11,750.		1,279,228.

RIDOH 1622

Part IV Other Apportionments (See instructions)

	(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1	WOMEN & INFANT HOSPITAL OF RHODE IS LAND	NONE	NONE	NONE		
2	BUTLER HOSPITAL	NONE	NONE	NONE		
3	KENT COUNTY MEMORIAL HOSPITAL	NONE	40,000.	150,000.		
4						
5						
6						
7						
8						
9						
10						
	Total	NONE	40,000.	150,000.		

RIDOH 1623

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01 , **2010, and ending** 09/30 , **20** 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization
KENT COUNTY MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
455 TOLL GATE ROAD

City or town, state or country, and ZIP + 4
WARWICK, RI 02886

D Employer identification number
05-0258896

E Telephone number
(401) 681-1150 EXT 1124

G Gross receipts $ 326,333,800.

F Name and address of principal officer: SANDRA L. COLETTA
455 TOLL GATE ROAD WARWICK, RI 02886

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.KENTRI.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ | **L** Year of formation: 1951 | **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
THE ORGANIZATION IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	25.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	19.
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	2,647.
6	Total number of volunteers (estimate if necessary)	6	280.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	2,129,149.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	1,601,841.	1,440,429.
9	Program service revenue (Part VIII, line 2g)	284,332,533.	309,772,886.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,234,907.	1,655,735.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,873,607.	491,195.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	292,042,888.	313,360,245.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	0.	245,740.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	152,665,600.	161,232,949.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	25,500.	15,000.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 837,887.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	136,236,010.	146,792,679.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	288,927,110.	308,286,368.
19	Revenue less expenses. Subtract line 18 from line 12	3,115,778.	5,073,877.
Net Assets or Fund Balances		**Beginning of Current Year**	**End of Year**
20	Total assets (Part X, line 16)	156,633,422.	170,485,058.
21	Total liabilities (Part X, line 26)	97,909,477.	122,278,534.
22	Net assets or fund balances. Subtract line 21 from line 20	58,723,945.	48,206,524.

DRAFT

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
				P00642486

Firm's name ▶ WITHUMSMITH+BROWN, PC — Firm's EIN ▶ 22-2027092

Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497 — Phone no. 973-898-9494

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

JSA
0E1010 1 000
8003CY U600

RIDOH 1625

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 280,487,070. including grants of $ 245,740.) (Revenue $ 309,772,886.)
EXPENSES INCURRED IN PROVIDING VARIOUS OTHER MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 280,487,070.

DRAFT

RIDOH 1626

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	X	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	X	

DRAFT

RIDOH 1627

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

DRAFT

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V. ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 236		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 2,647		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶ CAYMAN ISLANDS See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

DRAFT

RIDOH 1629

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a	25		
b	Enter the number of voting members included in line 1a, above, who are independent	1b	19		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5			X
6	Does the organization have members or stockholders?	6		X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ PAUL A. BEAUDOIN 455 TOLL GATE ROAD WARWICK, RI 02886
(401)737-7000

DRAFT

RIDOH 1630

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) ANDREW M ERICKSON CHAIRMAN - DIRECTOR	5.00	X		X				0.	0.	0.
(2) ANDREA HOPKINS VICE CHAIR - DIRECTOR	1.00	X		X				0.	0.	0.
(3) JOSEPH J MCGAIR ESQ VICE CHAIRMAN - DIRECTOR	1.00	X		X				0.	0.	0.
(4) LAURA J HILDERLEY RN MS SECRETARY - DIRECTOR	1.00	X		X				0.	0.	0.
(5) JONATHAN K FARNUM TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(6) STEPHEN A ROOKS ASSISTANT SECRETARY - DIRECTOR	1.00	X		X				0.	0.	0.
(7) RAYMOND J BOLSTER II ASSISTANT TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(8) ALFRED A ARCAND MD DIRECTOR - CHIEF OF MED. STAFF	1.00	X						0.	0.	0.
(9) HERBERT BRENNAN DO DIRECTOR	1.00	X						0.	0.	0.
(10) JANICE CAIANIELLO RN DIRECTOR	55.00	X						102,524.	0.	27,347.
(11) THOMAS J CELONA DIRECTOR	1.00	X						0.	0.	0.
(12) SANDRA L COLETTA DIRECTOR - PRESIDENT AND CEO	55.00	X		X				705,010.	0.	86,884.
(13) EDWARD J COONEY DIRECTOR	1.00	X						0.	0.	0.
(14) HONORABLE FRANCIS X FLAHERTY DIRECTOR	1.00	X						0.	0.	0.
(15) DUANE T GOLOMB MD DIRECTOR - PRES. MEDICAL STAFF	1.00	X						7,500.	0.	0.
(16) MICHAEL A GRANDE DIRECTOR	1.00	X						0.	0.	0.

DRAFT

RIDOH 1631

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) JAMES M HAGERTY DIRECTOR	1.00	X						0.	0.	0.
(18) JAMES A HOPKINS DIRECTOR	1.00	X						0.	0.	0.
(19) JOHN J HYNES ESQ TERM 8/1/11 NON-VOTING DIR. - PRES/CEO/CNE	1.00	X						1,342,974.	0.	307,010.
(20) POLLY E LEONARD DO DIRECTOR	25.00	X						77,925.	0.	0.
(21) KENNETH L MACNAUGHT DIRECTOR	1.00	X						0.	0.	0.
(22) GERALD MCCLURE DIRECTOR	1.00	X						0.	0.	0.
(23) GEORGE W SHUSTER DIRECTOR	1.00	X						2,000.	0.	0.
(24) JOSEPH W SPINALE DO DIRECTOR	25.00	X						100,055.	0.	5,999.
(25) JAMES M VESEY DIRECTOR	1.00	X						0.	0.	0.
(26) MARIBETH WILLIAMSON DIRECTOR	1.00	X						0.	0.	0.
(27) JOSEPH A DIPIETRO SENIOR VICE PRESIDENT/CAO	55.00			X				430,187.	0.	128,653.
(28) PAUL A BEAUDOIN SENIOR VICE PRESIDENT-FINANCE	55.00			X				427,811.	0.	104,807.
1b Sub-total ▶								3,195,986.	0.	660,700.
c Total from continuation sheets to Part VII, Section A ATTACHMENT 2 ▶								4,152,103.	0.	618,867.
d Total (add lines 1b and 1c) ▶								7,348,089.	0.	1,279,567.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 136

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 34

DRAFT

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b	42,450.			
	c Fundraising events	1c	245,740.			
	d Related organizations	1d	1,113,750.			
	e Government grants (contributions)	1e	38,489.			
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f. $					
	h **Total.** Add lines 1a-1f		1,440,429.			
Program Service Revenue		**Business Code**				
	2a NET PATIENT SERVICE REVENUE	541900	299,788,245.	299,788,245.		
	b OTHER HEALTHCARE RELATED REVENUE	541900	9,984,641.	7,855,492.	2,129,149.	
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		309,772,886.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ATTACHMENT 5		679,563.			679,563.
	4 Income from investment of tax-exempt bond proceeds		0.			
	5 Royalties		0.			
		(i) Real	(ii) Personal			
	6a Gross Rents	361,953.				
	b Less: rental expenses	247,997.				
	c Rental income or (loss)	113,956.				
	d Net rental income or (loss)		113,956.			113,956.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	13,294,428.	800.			
	b Less cost or other basis and sales expenses	12,318,422.	3,734.			
	c Gain or (loss)	973,106.	-2,934.			
	d Net gain or (loss)		976,172.			976,172.
	8a Gross income from fundraising events (not including $ 245,740. of contributions reported on line 1c). See Part IV, line 18 ATCH 6	a	38,904.			
	b Less: direct expenses	b	38,904.			
	c Net income or (loss) from fundraising events ATCH. 7.		0.			
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances	a	502,958.			
	b Less cost of goods sold	b	367,498.			
	c Net income or (loss) from sales of inventory ATCH. 8.		135,460.			135,460.
	Miscellaneous Revenue	**Business Code**				
	11a TELEPHONE	900003	197,235.			197,235.
	b CAFETERIA	900003	44,544.			44,544.
	c					
	d All other revenue					
	e **Total.** Add lines 11a-11d		241,779.			
	12 **Total revenue.** See instructions		313,360,245.	307,643,737.	2,129,149.	2,146,930.

DRAFT

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S. See Part IV, line 21	245,740.	245,740.		
2 Grants and other assistance to individuals in the U S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	6,819,978.	6,137,983.	681,995.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	118,773,025.	106,667,401.	11,851,933.	253,691.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	6,714,808.	6,043,327.	671,481.	
9 Other employee benefits	20,522,999.	18,470,697.	2,052,302.	
10 Payroll taxes	8,402,139.	7,561,925.	840,214.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	531,223.	478,101.	53,122.	
c Accounting	22,725.	20,453.	2,272.	
d Lobbying	8,115.	7,304.	811.	
e Professional fundraising services. See Part IV, line 17	15,000.			15,000.
f Investment management fees	0.			
g Other	3,358,707.	2,784,161.	309,351.	265,195.
12 Advertising and promotion	677,142.	609,428.	67,714.	
13 Office expenses	37,088,445.	33,376,442.	3,708,494.	3,509.
14 Information technology	9,868,617.	8,881,755.	986,862.	
15 Royalties	0.			
16 Occupancy	2,159,215.	1,943,294.	215,921.	
17 Travel	51,340.	46,206.	5,134.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	0.			
20 Interest	755,933.	680,340.	75,593.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	8,873,736.	7,986,362.	887,374.	
23 Insurance	8,171,895.	7,354,706.	817,189.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a PURCHASED SERVICES	25,118,248.	22,520,451.	2,502,272.	95,525.
b PROV FOR UNCOLLECTIBLE ACCTS	24,146,955.	24,146,955.	0.	0.
c LICENSURE FEE	13,441,647.	13,441,647.	0.	0.
d REPAIRS AND MAINTENANCE	3,011,271.	2,710,144.	301,127.	0.
e UTILITIES	1,827,297.	1,644,567.	182,730.	0.
f All other expenses	7,680,168.	6,727,681.	747,520.	204,967.
25 Total functional expenses. Add lines 1 through 24f	308,286,368.	280,487,070.	26,961,411.	837,887.
26 Joint Costs. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

DRAFT

RIDOH 1634

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	5,631,179.	2	6,170,279.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	33,968,200.	4	35,652,452.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net ATCH 9	862,067.	7	2,620,530.
	8	Inventories for sale or use	3,404,891.	8	3,580,301.
	9	Prepaid expenses and deferred charges	1,049,734.	9	1,117,117.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 211,000,990.			
	b	Less: accumulated depreciation — 10b: 142,721,498.	69,381,958.	10c	68,279,492.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11	41,091,027.	13	46,715,805.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	1,244,366.	15	6,349,082.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	156,633,422.	16	170,485,058.
Liabilities	17	Accounts payable and accrued expenses	33,701,440.	17	38,004,210.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties ATCH 10	6,157,127.	23	4,298,680.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	58,050,910.	25	79,975,644.
	26	**Total liabilities.** Add lines 17 through 25	97,909,477.	26	122,278,534.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	44,632,193.	27	34,728,169.
	28	Temporarily restricted net assets	2,256,957.	28	2,143,486.
	29	Permanently restricted net assets	11,834,795.	29	11,334,869.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	58,723,945.	33	48,206,524.
	34	Total liabilities and net assets/fund balances	156,633,422.	34	170,485,058.

DRAFT

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	313,360,245.
2	Total expenses (must equal Part IX, column (A), line 25)	2	308,286,368.
3	Revenue less expenses. Subtract line 2 from line 1	3	5,073,877.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	58,723,945.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-15,591,298.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	48,206,524.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII X

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

DRAFT

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☒ Type III - Functionally integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? . . . . . 11g(i)

(ii) A family member of a person described in (i) above? . . . . . 11g(ii)

(iii) A 35% controlled entity of a person described in (i) or (ii) above? . . . . . 11g(iii)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

DRAFT

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

DRAFT

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

DRAFT

RIDOH 1639

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

DRAFT

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2010

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

DRAFT

Name of organization KENT COUNTY MEMORIAL HOSPITAL

Employer identification number 05-0258896

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	STATE OF RHODE ISLAND ONE CAPITOL HILL PROVIDENCE, RI 02908	$ 38,489.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	MEMBERSHIP DUES 455 TOLL GATE ROAD WARWICK, RI 02886	$ 42,450.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	FUNDRAISING SUPPORT < $5,000 EACH 455 TOLL GATE ROAD WARWICK, RI 02886	$ 245,740.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	KENT HOSPITAL FOUNDATION 455 TOLL GATE ROAD WARWICK, RI 02886	$ 1,113,750.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 1642

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

DRAFT

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1 a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2 a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

DRAFT

JSA
0E1265 0 020

8003CY U600

RIDOH 1644

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		8,115.
j	Total. Add lines 1c through 1i			8,115.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

DRAFT

RIDOH 1645

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B; LINE 1I

THE ORGANIZATION IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION ("AHA"), WHICH ENGAGES IN LOBBYING EFFORTS ON BEHALF OF ITS MEMBER HOSPITALS. A PORTION OF THE DUES PAID TO THIS ORGANIZATION HAS BEEN ALLOCATED TO LOBBYING ACTIVITES PERFORMED ON BEHALF OF THE ORGANIZATION. THIS ALLOCATION AMOUNTED TO $8,115.

THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE HEALTHCARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.AHA.ORG.

DRAFT

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $

DRAFT

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	25,866,548.	23,976,800.	26,324,947.		
b	Contributions	2,794.	0.	200.		
c	Net investment earnings, gains, and losses	-284,526.	2,234,701.	745,348.		
d	Grants or scholarships	0.	0.	0.		
e	Other expenditures for facilities and programs	333,968.	279,440.	3,046,599.		
f	Administrative expenses	70,098.	65,513.	47,096.		
g	End of year balance	25,180,750.	25,866,548.	23,976,800.		

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ 46.0000 %
b Permanent endowment ▶ 54.0000 %
c Term endowment ▶ 0.0000 %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	X	
(ii)	related organizations		X
b	If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Land, Buildings, and Equipment See Form 990, Part X, line 10.

	Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land		90,165.		90,165.
b	Buildings	1,185,781.	86,799,200.	44,578,000.	43,406,981.
c	Leasehold improvements				
d	Equipment		117,817,886.	95,408,269.	22,409,617.
e	Other		5,107,958.	2,735,229.	2,372,729.
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				68,279,492.

DRAFT

RIDOH 1648

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) INVESTMENT IN SUBSIDIARY	1,213,958.	FMV
(2) ENDOWMENT FUNDS	10,090,270.	FMV
(3) ENDOWMENT FUND - TRUST FUND	13,554,689.	FMV
(4) EF TRUST FUND - VALUATION	653,369.	FMV
(5) INVESTMENT - PHO	100,452.	FMV
(6) DEFERRED COMPENSATION FUND	1,070,080.	FMV
(7) EXECUTIVE LIFE INSURANCE	6,678,760.	FMV
(8) CASH AND CASH EQUIVALENTS	1,200,403.	FMV
(9) TRUSTEE HELD PROJECT FUNDS	12,153,824.	FMV
(10)		
Total. *(Column (b) must equal Form 990, Part X, col (B) line 13.)* ▶	46,715,805.	

Part IX Other Assets. See Form 990, Part X, line 15.

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶		

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	
(2) DUE TO THIRD PARTY PAYORS; CURRENT	2,827,844.
(3) DUE TO THIRD PARTY PAYORS; NON-CURR	5,063,286.
(4) LONG-TERM BENEFITS PAYABLE	1,338,633.
(5) OTHER LIABILITIES	401,000.
(6) ASSET RETIREMENT OBLIGATION	946,961.
(7) PENSION LIABILITY	34,083,037.
(8) DUE TO AFFILIATES; CURRENT	8,845,345.
(9) DUE TO AFFILIATES; NON-CURRENT	26,469,538.
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	79,975,644.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

DRAFT

RIDOH 1649

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

DRAFT

RIDOH 1650

Part XIV Supplemental Information *(continued)*

ENDOWMENT FUNDS

SCHEDULE D, PART V, QUESTION 4

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE PURPOSES INCLUDE GENERAL PURPOSE, HEALTHCARE SERVICES, INDIGENT CARE, HEALTH EDUCATION AND PROPERTY AND EQUIPMENT.

TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE

SCHEDULE D, PART X

DRAFT

THE ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CERTAIN CONSOLIDATING SCHEDULES.

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE ORGANIZATION COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2011 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN	1.	1.	PROGRAM SERVICES	FINANCIAL VEHICLE	5,444,185.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	1.	1.			5,444,185.
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	1.	1.			5,444,185.

DRAFT

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Part II can be duplicated if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								

DRAFT

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶

RIDOH 1653

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DRAFT

RIDOH 1654

Part IV Foreign Forms

1	Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	[X] Yes	[ ] No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	[ ] Yes	[X] No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations (see Instructions for Form 5471)*	[X] Yes	[ ] No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	[ ] Yes	[X] No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	[ ] Yes	[X] No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	[ ] Yes	[X] No

DRAFT

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

DRAFT

RIDOH 1656

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2010
Open To Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [ ] Mail solicitations
b [ ] Internet and email solicitations
c [ ] Phone solicitations
d [ ] In-person solicitations
e [X] Solicitation of non-government grants
f [X] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [X] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1 SEASIDE CONSULTING, INC.	GRANT WRITING		X	65,000.	15,000.	50,000.
2						
3						
4						
5						
6						
7						
8						
9						
10						
Total ▶				65,000.	15,000.	50,000.

DRAFT

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

RIDOH 1657

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF OUTING (event type)	(b) Event #2 FASHION SHOW (event type)	(c) Other Events 10. (total number)	(d) Total events (add col. (a) through col (c))
Revenue	1 Gross receipts	58,161.	10,838.	215,645.	284,644.
	2 Less: Charitable contributions	37,860.	4,571.	203,309.	245,740.
	3 Gross income (line 1 minus line 2)	20,301.	6,267.	12,336.	38,904.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	1,260.			1,260.
	6 Rent/facility costs	10,000.			10,000.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	9,041.	6,267.	12,336.	27,644.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(38,904.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

DRAFT

RIDOH 1658

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a The organization's facility . . . . . 13a %

b An outside facility . . . . . 13b %

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

DRAFT

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ %	X	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		X
6a	Did the organization prepare a community benefit report during the tax year?		X
b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			15,114,826.	8,389,987.	6,724,839.	2.37
b Unreimbursed Medicaid (from Worksheet 3, column a)			28,843,511.	28,508,351.	335,160.	.12
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)			0.	0.	0.	0.00
d Total Financial Assistance and Means-Tested Government Programs			43,958,337.	36,898,338.	7,059,999.	2.49
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			213,409.	0.	213,409.	.08
f Health professions education (from Worksheet 5)			6,820,391.	4,265,478.	2,554,913.	.90
g Subsidized health services (from Worksheet 6)			26,439,201.	21,107,342.	5,331,859.	1.88
h Research (from Worksheet 7)			0.	0.	0.	0.00
i Cash and in-kind contributions to community groups (from Worksheet 8)			0.	0.	0.	0.00
j Total. Other Benefits			33,473,001.	25,372,820.	8,100,181.	2.86
k Total. Add lines 7d and 7j			77,431,338.	62,271,158.	15,160,180.	5.35

DRAFT

RIDOH 1660

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X
2	Enter the amount of the organization's bad debt expense (at cost)	2 6,853,641.		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3 1,219,948.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	61,415,870.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	73,696,478.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-12,280,608.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:		

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

DRAFT

RIDOH 1661

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 KENT COUNTY MEMORIAL HOSPITAL 455 TOLL GATE ROAD WARWICK RI 02886	X	X		X			X		
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

DRAFT

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: KENT COUNTY MEMORIAL HOSPITAL

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	☐ A definition of the community served by the hospital facility		
b	☐ Demographics of the community		
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☐ How data was obtained		
e	☐ The health needs of the community		
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☐ The process for consulting with persons representing the community's interests		
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 __ __		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5	Did the hospital facility make its Needs Assessment widely available to the public?		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	☐ Hospital facility's website		
b	☐ Available upon request from the hospital facility		
c	☐ Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	☐ Execution of the implementation strategy		
c	☐ Participation in the development of a community-wide community benefit plan		
d	☐ Participation in the execution of a community-wide community benefit plan		
e	☐ Inclusion of a community benefit section in operational plans		
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	☐ Prioritization of health needs in its community		
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care to low income individuals?		
	If "Yes," indicate the FPG family income limit for eligibility for free care: __ __ __ %		

DRAFT

RIDOH 1663

Part V Facility Information *(continued)* KENT COUNTY MEMORIAL HOSPITAL

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %			
11	Explained the basis for calculating amounts charged to patients?	11		
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	☐ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☐ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12		
13	Included measures to publicize the policy within the community served by the hospital facility?	13		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☐ The policy was available on request			
g	☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):			
a	☐ Notified patients of the financial assistance policy on admission			
b	☐ Notified patients of the financial assistance policy prior to discharge			
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e	☐ Other (describe in Part VI)			

DRAFT

Part V Facility Information *(continued)* KENT COUNTY MEMORIAL HOSPITAL

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? 18		

If "No," indicate the reasons why (check all that apply):

- a ☐ The hospital facility did not provide care for any emergency medical conditions
- b ☐ The hospital facility did not have a policy relating to emergency medical care
- c ☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)
- d ☐ Other (describe in Part VI)

Charges for Medical Care

19 Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):

- a ☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility
- b ☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility
- c ☐ The hospital facility used the Medicare rate for those services
- d ☐ Other (describe in Part VI)

20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? 20		
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient? 21		
	If "Yes," explain in Part VI.		

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 24

	Name and address	Type of Facility (describe)
1	AFFINITY - KENT SURGICAL 470 TOLL GATE ROAD WARWICK RI 02886	PHYSICIAN PRACTICE
2	AFFINITY - WEST BAY 390 TOLL GATE ROAD WARWICK RI 02886	PHYSICIAN PRACTICE
3	MRI ON CENTERVILLE ROAD 227 CENTERVILLE ROAD WARWICK RI 02886	MRI FACILITY
4	KENT HOSPITAL OUTPATIENT LAB 982 TIOGUE AVENUE COVENTRY RI 02816	LAB
5	KENT HOSPITAL OUTPATIENT LAB 166 TOLL GATE ROAD WARWICK RI 02886	LAB
6	KENT HOSPITAL OUTPATIENT LAB 227 CENTERVILLE ROAD WARWICK RI 02886	VASCULAR LAB
7	AFFINITY - TROMBATORE 300 TOLL GATE ROAD WARWICK RI 02886	PHYSICIAN PRACTICE
8	KENT HOSPITAL OUTPATIENT LAB 390 TOLL GATE ROAD WARWICK RI 02886	LAB
9	DR. SANTORO OFFICE 1681 CRANSTON STREET CRANSTON RI 02920	PHYSICIAN PRACTICE
10	KENT HOSPITAL OUTPATIENT LAB 1051 TEN ROD ROAD NORTH KINGSTON RI 02852	LAB

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	KENT HOSPITAL OUTPATIENT LAB 905 PONTIAC AVENUE CRANSTON RI 02920	LAB
2	KENT HOSPITAL OUTPATIENT LAB 1620 NOOSENECK HILL ROAD COVENTRY RI 02816	LAB
3	AFFINITY - PRIMARY CARE WARWICK 215 TOLL GATE ROAD WARWICK RI 02886	PHYSICIAN PRACTICE
4	BAYSIDE FAMILY HEALTH CARE 308 CALLAHAN ROAD NORTH KINGSTON RI 02852	PHYSICIAN & LAB
5	KENT HOSPITAL OUTPATIENT LAB 215 TOLL GATE ROAD WARWICK RI 02886	LAB
6	KENT HOSPITAL OUTPATIENT LAB 250 CENTERVILL ROAD WARWICK RI 02886	LAB
7	KENT HOSPITAL OUTPATIENT LAB 227 CENTERVILLE ROAD WARWICK RI 02886	LAB
8	KENT HOSPITAL OUTPATIENT LAB 1407 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818	LAB
9	KENT HOSPITAL OUTPATIENT LAB 190 COMMERCE DRIVE WARWICK RI 02886	LAB
10	KENT HOSPITAL OUTPATIENT LAB 1087 WARWICK AVENUE WARWICK RI 02886	LAB

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	KENT HOSPITAL OUTPATIENT LAB 750 RESERVOIR AVENUE CRANSTON RI 02910	LAB
2	KENT HOSPITAL OUTPATIENT LAB 1079 MAIN STREET WEST WARWICK RI 02983	LAB
3	DR. REEDER OFFICE (+ OP THERAPY) 1351 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818	PHYSICIAN PRACTICE & THERAPY
4	KENT HOSPITAL OUTPATIENT LAB 75 MINNESOTA AVENUE WARWICK RI 02888	LAB
5		
6		
7		
8		
9		
10		

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ELIGIBILITY FOR DISCOUNTED CARE

SCHEDULE H, PART I, LINE 3C

NOT APPLICABLE.

COMMUNITY BENEFIT REPORT

SCHEDULE H, PART I, LINE 6A

NOT APPLICABLE.

SUBSIDIZED HEALTH SERVICES

SCHEDULE H, PART I, LINE 7G

NO COSTS RELATING TO SUBSIDIZED HEALTHCARE SERVICES ARE ATTRIBUTABLE TO ANY PHYSICIAN CLINICS.

DRAFT

RIDOH 1669

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN (F)

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $24,146,955.

FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST

SCHEDULE H, PART I, LINE 7

A COST-TO-CHARGE RATIO WAS USED, THE SOURCE BEING THE MEDICARE COST REPORT FOR FY 2011, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, BUT NOT APPROPRIATE FOR PART 1, LINE 7. E.G. REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A-8-2 AND REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE). WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7.

DRAFT

RIDOH 1670

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY BUILDING ACTIVITIES

SCHEDULE H, PART II

KENT COUNTY MEMORIAL HOSPITAL HAS DIRECT INVOLVEMENT IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT PROMOTE AND IMPROVE THE HEALTH STATUS AND GENERAL BETTERMENT OF THE COMMUNITIES SERVED BY THE HOSPITAL. THIS IS ACCOMPLISHED THROUGH SERVICE ON STATE AND REGIONAL ADVOCACY COMMITTEES AND BOARDS, VOLUNTEERISM WITH LOCAL COMMUNITY-BASED NON-PROFIT ADVOCACY GROUPS, AND PARTICIPATION IN CONFERENCES AND OTHER EDUCATIONAL ACTIVITIES TO PROMOTE UNDERSTANDING OF THE ROOT CAUSES OF HEALTH CONCERNS. THIS ORGANIZATION PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION SEMINARS AND OUTREACH SESSIONS FOR ITS PATIENTS AND FOR COMMUNITY PROVIDERS. PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BAD DEBT EXPENSE

SCHEDULE H, PART III, SECTION A, LINE 4

BAD DEBT EXPENSE WAS CALCULATED USING THE ORGANIZATION'S BAD DEBT EXPENSE FROM ITS AUDITED FINANCIAL STATEMENTS, NET OF ACCOUNTS WRITTEN OFF AT CHARGES AND MULTIPLIED BY ITS COST TO CHARGE RATIO.

THE ORGANIZATION AND ITS AFFILIATES PREPARE AND ISSUE AUDITED CONSOLIDATED FINANCIAL STATEMENTS. EACH OF THE SYSTEM'S THREE HOSPITALS HAVE AN ALLOWANCE FOR DOUBTFUL ACCOUNTS (BAD DEBT EXPENSE) METHODOLOGY AND CHARITY CARE POLICIES. THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION.

NET PATIENT SERVICE REVENUE

THE HOSPITALS AND THE AGENCY HAVE INDIVIDUAL AGREEMENTS WITH MANY THIRD-PARTY PAYORS THAT PROVIDE PAYMENTS AT AMOUNTS DIFFERENT FROM THEIR ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED

DRAFT

RIDOH 1672

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER-DIEM PAYMENTS.

NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, AND INCLUDES ESTIMATED RETROACTIVE REVENUE ADJUSTMENTS DUE TO SUCH THINGS AS FUTURE AUDITS AND REVIEWS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN, OR AS YEARS ARE NO LONGER SUBJECT TO SUCH ADJUSTMENTS.

CHARITY CARE

THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CHARITY CARE POLICIES WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES. BECAUSE THE HEALTH SYSTEM DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED

DRAFT

RIDOH 1673

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AS NET PATIENT REVENUE.

MEDICARE SHORTFALL

SCHEDULE H, PART III, LINE 8

THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED FY 2011 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED COSTS, WHICH ARE INCLUDED IN PART 1, LINE 7(F). WORKSHEET D-1, LINE 49, DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME FROM WORKSHEET E, PART B.

BAD DEBT IS COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I.

THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW, THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE

DRAFT

RIDOH 1674

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS. THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") §501(C)(3).

THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER §501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN §501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED; THE PROMOTION OF SOCIAL WELFARE; AND THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE: IT DOES NOT

DRAFT

RIDOH 1675

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC §501(C)(3) CHARITABLE ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD.

CHARITY CARE STANDARD

IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC §501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL

DRAFT

RIDOH 1676

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS.

COMMUNITY BENEFIT STANDARD

IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY.

THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD

DRAFT

RIDOH 1677

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS. REG. S 1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY.

THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS

DRAFT

RIDOH 1678

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS; AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS.

THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I.

THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION. AS OUTLINED IN THE AHA LETTER TO THE IRS DATED AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM

DRAFT

RIDOH 1679

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS.

- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.

- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT NEGATIVE 5.4 PERCENT.

- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF

DRAFT

RIDOH 1680

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES."

THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT.

BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS:

- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME

DRAFT

RIDOH 1681

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOME BELOW 200% OF THE FEDERAL POVERTY LINE."

- THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE.

DRAFT

RIDOH 1682

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE; THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE.

AS OUTLINED BY THE AHA, DESPITE THE HOSPITAL'S BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES. BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULDER IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. IN ADDITION, THE HOSPITAL INVESTS SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS THAT ARE IN NEED OF FINANCIAL ASSISTANCE.

DEBT COLLECTION POLICY

DRAFT

RIDOH 1683

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SCHEDULE H, PART III, LINE 9B

KENT COUNTY MEMORIAL HOSPITAL DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR FACING EXTREME HARDSHIPS.

FACILITY POLICIES AND PRACTICES

SCHEDULE H, PART V

NOT APPLICABLE.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, QUESTION 2

THE ORGANIZATION CONTINUALLY REVIEWS AND EVALUATES CURRENT AND PROPOSED PROGRAMS TO ENSURE THAT PROGRAMS OFFERING THE MOST BENEFIT WILL CONTINUE

DRAFT

RIDOH 1684

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

TO BE SUPPORTED BY THE HOSPITAL. THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES: OBJECTIVE 2: OVERWEIGHT AND OBESITY, OBJECTIVE 3: TOBACCO USE, OBJECTIVE 9: IMMUNIZATION AND OBJECTIVE 10: ACCESS TO HEALTHCARE. THESE WILL BE UPDATED WITH NEW STATEWIDE GUIDELINES DUE OUT LATER THIS YEAR. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, QUESTION 3

AS A NOT FOR-PROFIT ENTITY, KENT COUNTY MEMORIAL HOSPITAL'S FIRST CONSIDERATION IN THE ADMISSION AND PLACEMENT OR TREATMENT OF ANY PATIENT IS THE PATIENT'S MEDICAL NEEDS. SOME PATIENTS HESITATE TO OBTAIN NECESSARY CARE BECAUSE OF THEIR FINANCIAL CONCERNS. A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. ALSO, IT IS PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON THE ORGANIZATION'S WEBSITE. ALSO, THE NOTICE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY THE PATIENT POPULATION IN ACCORDANCE WITH THE APPLICABLE "STANDARDS FOR CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES IN HEALTHCARE" (STANDARDS 4 AND 7, BASED ON TITLE VI OF THE CIVIL RIGHTS ACT OF 1964). UNINSURED AND UNDERINSURED PATIENTS ARE COUNSELED AT THE POINT OF SERVICE OR DURING THE BILLING PROCESS ABOUT ANY FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY BE ELIGIBLE FOR, AND ASSISTANCE WITH APPLICATIONS IS ALSO PROVIDED.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, QUESTION 4

KENT HOSPITAL IS LOCATED IN THE CENTRAL PORTION OF THE STATE OF RHODE ISLAND. OUR SERVICE AREA REACHES APPROXIMATELY 300,000 PEOPLE IN THE PRIMARY SERVICE AREA OF WARWICK, COVENTRY, EAST GREENWICH, WEST GREENWICH AND WEST WARWICK (KENT COUNTY). CURRENT CENSUS DATA INDICATES SIGNIFICANT GROWTH IN THE HISPANIC POPULATION IN OUR REGION BUT THE POPULATION IN OUR HOME COMMUNITY OF WARWICK HAS SEEN A POPULATION DECREASE FROM PAST CENSUS DATA. THE POPULATION SERVED IS DIVIDED INTO THE FOLLOWING AGE

DRAFT

RIDOH 1686

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CATEGORIES: AGES 0-17, 20.7%; AGES 18-34, 20%; AGES 35-54, 30.6%, AGES 55-64, 13.5% AND AGES 65+, 15.3%. THE EDUCATION LEVELS ACHIEVED AMONG THE POPULATION SERVED IS AS FOLLOWS: 10.3% FINISHED LESS THAN HIGH SCHOOL; 31.4% RECEIVED A HIGH SCHOOL DEGREE; 28.6% FINISHED SOME OF COLLEGE OR RECEIVED AN ASSOCIATE'S DEGREE AND 29.7% RECEIVED A BACHELOR'S DEGREE OR GREATER.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, QUESTION 5

THE ORGANIZATION AND THE ENTIRE CARE NEW ENGLAND HEALTH SYSTEM PROMOTE THE HEALTH OF THE COMMUNITY ON A DAILY BASIS THROUGHOUT THE YEAR. THE SYSTEM COORDINATES AND OFFERS NUMEROUS COMMUNITY BENEFIT PROGRAMS, ACTIVITIES AND SUPPORT GROUPS TO THE COMMUNITY. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

DRAFT

RIDOH 1687

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, QUESTION 6

OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE THE CARE NEW ENGLAND HEALTH SYSTEM.

NOT FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

CARE NEW ENGLAND HEALTH SYSTEM

CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF THE CARE NEW ENGLAND HEALTH SYSTEM ("CNE"). THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS. THIS ORGANIZATION IS THE SOLE MEMBER OR STOCKHOLDER OF EACH AFFILIATED ENTITY. CNE IS AN INTEGRATED SYSTEM OF HEALTHCARE PROVIDERS THROUGHOUT THE STATE OF RHODE ISLAND.

CARE NEW ENGLAND HEALTH SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE

DRAFT

RIDOH 1688

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

AS THE PARENT ORGANIZATION, CARE NEW ENGLAND HEALTH SYSTEM STRIVES TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF RHODE ISLAND AND SURROUNDING COMMUNITIES. CARE NEW ENGLAND HEALTH SYSTEM ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES. CNE'S ACTIVE HOSPITALS INCLUDE BUTLER HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND KENT COUNTY MEMORIAL HOSPITAL. EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1. EACH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL

DRAFT

RIDOH 1689

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE,
SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. EACH OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS, WHICH IS OPEN
24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. EACH MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL
QUALIFIED PHYSICIANS;

4. CONTROL OF EACH RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF
DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF
A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF
THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND
AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND
ACTIVITIES.

DRAFT

RIDOH 1690

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BUTLER HOSPITAL

BUTLER HOSPITAL IS A 117-BED NON-PROFIT PRIVATE, NON-PROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN, AND SENIORS LOCATED IN PROVIDENCE, RHODE ISLAND. BUTLER HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, BUTLER HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

WOMEN & INFANTS CORPORATION IS A 247-BED AND 60-BASSINET NON-PROFIT SPECIALTY HOSPITAL FOR WOMEN AND NEWBORNS LOCATED IN PROVIDENCE, RHODE ISLAND. WOMEN & INFANTS CORPORATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION.

DRAFT

RIDOH 1691

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, WOMEN & INFANTS CORPORATION OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

KENT COUNTY VISITING NURSE ASSOCIATION

KENT COUNTY VISITING NURSE ASSOCIATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §170(B)(1)(A)(VI). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

KENT HOSPITAL FOUNDATION

KENT HOSPITAL FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL

DRAFT

RIDOH 1692

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF KENT COUNTY MEMORIAL HOSPITAL; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN & INFANTS DEVELOPMENT FOUNDATION

WOMEN & INFANTS DEVELOPMENT FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

DRAFT

RIDOH 1693

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN & INFANTS CORPORATION

WOMEN & INFANTS CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3). THE ORGANIZATION IS THE PARENT ENTITY OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND ITS AFFILIATES, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

PALOMAR GROUP, INC.

DRAFT

RIDOH 1694

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PALOMAR GROUP, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WIH FACULTY PHYSICIANS, INC.

WIH FACULTY PHYSICIANS, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

HEALTH TOUCH, INC.

DRAFT

RIDOH 1695

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH TOUCH, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

AFFINITY PHYSICIANS, L.L.C. AND KENT ANCILLARY SERVICES, L.L.C. ARE SINGLE MEMBER LIMITED LIABILITY COMPANIES OF KENT COUNTY MEMORIAL HOSPITAL.

FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

W&I INDEMNITY LTD.

AN ENTITY 100% OWNED BY WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CAYMAN.

TOLL GATE INDEMNITY LTD.

AN ENTITY 100% OWNED BY KENT COUNTY MEMORIAL HOSPITAL. THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN.

STATE FILING OF COMMUNITY BENEFIT REPORT

SCHEDULE H, PART VI, QUESTION 7

NOT APPLICABLE. THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN RHODE ISLAND. NO COMMUNITY BENEFIT REPORT IS FILED WITH THE STATE OF RHODE ISLAND.

DRAFT

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . . . ▶ [ ]

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	KENT HOSPITAL FOUNDATION 455 TOLL GATE ROAD WARWICK, RI 02886	05-0514640	501(C)(3)	245,740.				GENERAL SUPPORT
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1.

3 Enter total number of other organizations . . . . . ▶ 0.

DRAFT

RIDOH 1698

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANT FUND MONITORING

SCHEDULE I, PART I; QUESTION 2

GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE UTILIZATION OF COST CENTERS AND OTHER INFORMATION; INCLUDING WRITTEN DOCUMENTATION AND RECEIPTS.

DRAFT

RIDOH 1699

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANTS AND OTHER ASSISTANCE

SCHEDULE I, PART II; COLUMN D

THE 2010 FORM 990 FOR KENT COUNTY MEMORIAL HOSPITAL INCLUDES THE KENT COUNTY MEMORIAL HOSPITAL AUXILIARY; A DIVISION OF KENT COUNTY MEMORIAL HOSPITAL. THE KENT COUNTY MEMORIAL HOSPITAL AUXILIARY'S BOOKS AND RECORDS ARE ACCOUNTED FOR ON THE CASH BASIS METHOD. THE AMOUNT OF $245,740 LISTED IN SCHEDULE I, PART II; COLUMN D IS THE AMOUNT OF CASH SUPPORT PROVIDED DURING THE FISCAL YEAR ENDED SEPTEMBER 30, 2011.

DRAFT

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	[ ] First-class or charter travel		
	[ ] Travel for companions		
	[X] Tax indemnification and gross-up payments		
	[ ] Discretionary spending account		
	[ ] Housing allowance or residence for personal use		
	[ ] Payments for business use of personal residence		
	[X] Health or social club dues or initiation fees		
	[ ] Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? **2**	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
	[X] Compensation committee		
	[X] Independent compensation consultant		
	[ ] Form 990 of other organizations		
	[ ] Written employment contract		
	[X] Compensation survey or study		
	[X] Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment from the organization or a related organization? . . **4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? **5a**		X
b	Any related organization? **5b**		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? **6a**	X	
b	Any related organization? **6b**	X	
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7**	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**		

DRAFT

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 SANDRA L COLETTA	(i)	458,219.	156,000.	90,791.	73,646.	8,238.	791,894.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 JOHN J HYNES ESQ TERM 8	(i)	796,217.	280,000.	266,757.	246,827.	60,183.	1,649,984.	194,391.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 JOSEPH A DIPIETRO	(i)	280,187.	73,091.	76,909.	99,528.	29,125.	558,840.	54,356.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 PAUL A BEAUDOIN	(i)	292,714.	84,375.	50,722.	79,662.	25,145.	532,618.	30,407.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 MICHAEL DACEY MD	(i)	262,095.	76,531.	51,290.	52,862.	13,753.	456,531.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 RENE E FISCHER RN	(i)	223,098.	60,672.	2,393.	43,089.	21,355.	350,607.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 DAVID B CAMPBELL	(i)	183,714.	54,563.	8,692.	60,902.	28,714.	336,585.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 HELEN M REED	(i)	255,109.	71,574.	38,732.	73,000.	6,634.	440,049.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 JAMES M BURKE	(i)	169,879.	50,672.	10,754.	18,496.	26,034.	275,835.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 JEAN M BUTLER	(i)	159,651.	38,785.	1,129.	16,253.	0.	215,818.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 FRANCES FALSEY	(i)	152,987.	38,126.	693.	12,279.	13,486.	217,571.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 PAUL MCKENNEY MD	(i)	233,140.	67,714.	30,735.	22,214.	23,960.	377,763.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 JOHN ISAAC MD	(i)	96,648.	0.	91,014.	0.	517.	188,179.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 OMPRAKASH H KOTHARI MD	(i)	368,519.	6,015.	45,748.	61,115.	1,906.	483,303.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 ROBERT DINWOODIE DO	(i)	308,024.	4,965.	18,079.	22,417.	761.	354,246.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 KENNETH R PHILLIPS MD	(i)	266,761.	2,000.	47,850.	19,929.	13,708.	350,248.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

DRAFT

RIDOH 1702

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 EHSUN R MIRZA MD	(i)	244,312.	2,000.	35,791.	12,525.	18,322.	312,950.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 IMENDE A SUTHERLAND MD	(i)	265,418.	0.	6,877.	20,856.	13,780.	306,931.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3	(i)							
	(ii)							
4	(i)							
	(ii)							
5	(i)							
	(ii)							
6	(i)							
	(ii)							
7	(i)							
	(ii)							
8	(i)							
	(ii)							
9	(i)							
	(ii)							
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DRAFT

RIDOH 1703

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

PART VII AND SCHEDULE J

TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2010 FORMS W-2 AND 1099 (IF APPLICABLE).

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 1A

DURING THE ORGANIZATION'S FISCAL YEAR ENDED SEPTEMBER 30, 2011, DR. JOHN ISAAC BECAME AN EMPLOYEE OF THE ORGANIZATION THROUGH AFFINITY PHYSICIANS, L.L.C. KENT COUNTY MEMORIAL HOSPITAL IS THE SOLE MEMBER OF AFFINITY PHYSICIANS, L.L.C. AS PART OF THE TRANSITION, DR. ISAAC WAS REQUIRED TO PURCHASE A MEDICAL MALPRACTICE INSURANCE TAIL POLICY FOR THE TIME PRIOR TO HIS EMPLOYMENT. THIS WAS NOT ADDRESSED IN THE ORIGINAL EMPLOYMENT AGREEMENT BETWEEN THE PARTIES. THE AMOUNT OF THE TAIL POLICY WAS $34,000. AS A RESULT, THE ORGANIZATION GROSSED THIS NET AMOUNT UP FOR FEDERAL AND STATE TAX PURPOSES. THE GROSS-UP AMOUNT WAS $30,764. THUS A TOTAL OF $64,764 WAS INCLUDED ON DR. ISAAC'S 2010 FORM W-2.

DRAFT

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PAYMENTS MADE ON BEHALF OF CARE NEW ENGLAND HEALTH SYSTEM PRESIDENT/CEO TO LUNCHEON CLUB FOR MEMBERSHIP DUES AND BUSINESS RELATED EXPENSES IN ACCORDANCE WITH EMPLOYMENT CONTRACT. THE CARE NEW ENGLAND HEALTH SYSTEM PRESIDENT/CEO IS AN EMPLOYEE OF KENT COUNTY MEMORIAL HOSPITAL.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: JOHN J. HYNES, ESQ., $194,391; PAUL A BEAUDOIN, $30,407 AND JOSEPH A DIPIETRO, $54,356.

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE.

DRAFT

RIDOH 1705

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, AS TAXABLE WAGES: SANDRA L. COLETTA, $62,280; JOHN J. HYNES, ESQ., $178,852; JOSEPH A. DIPIETRO, $52,010; PAUL A. BEAUDOIN, $54,648; MICHAEL DACEY, M.D., $32,018; RENE E. FISCHER, R.N., $25,939; DAVID B. CAMPBELL, $35,076 AND HELEN M. REED, $45,553.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 6A & 6B

THE EXECUTIVE COMPENSATION PACKAGE FOR VARIOUS INDIVIDUALS REPORTED ON THIS FORM 990 CONSISTS OF BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE AT-RISK COMPENSATION IS COMPRISED OF BOTH SHORT-TERM AND LONG-TERM FACTORS AS FOLLOWS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS.

DRAFT

RIDOH 1706

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL AND PATIENT SATISFACTION.

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION AND STRATEGIC OBJECTIVE.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 7

CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2010 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

DRAFT

RIDOH 1707

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

SCHEDULE J, PART II; COLUMN F

THE AMOUNT REPORTED IN SCHEDULE J, PART II, COLUMN F FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN BECAUSE THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THIS AMOUNT WAS TREATED AS TAXABLE INCOME AND REPORTED ON EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: JOHN J. HYNES, ESQ., $194,391; JOSEPH A. DIPIETRO, $54,356 AND PAUL A. BEAUDOIN, $30,407. THESE AMOUNTS WERE REPORTED ON PRIOR YEAR FORMS 990 AS AT-RISK NON-TAXABLE DEFERRED COMPENSATION IN SCHEDULE J, PART II, COLUMN C.

DRAFT

RIDOH 1708

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open To Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I **Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II **Loans to and/or From Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
Total . . . . . ▶ $										

Part III **Grants or Assistance Benefiting Interested Persons.**
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		

DRAFT

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1) WEST BAY SURGICAL ASSOCIATES, INC.	OFFICER, ISAAC	178,221.	MEDICAL SERVICES		X
(2) NANCY HAGERTY	DIRECTOR, SPOUSE	60,722.	HOSPITAL EMPLOYEE		X
(3) REBECCA GAUMITZ	DIRECTOR, CELONA	34,302.	HOSPITAL EMPLOYEE		X
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

DRAFT

SCHEDULE O (Form 990 or 990-EZ)	Supplemental Information to Form 990 or 990-EZ	OMB No. 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information. ▶ Attach to Form 990 or 990-EZ.	2010 Open to Public Inspection

Name of the organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

COMMUNITY BENEFIT STATEMENT

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

KENT COUNTY MEMORIAL HOSPITAL ("KENT") IS A GENERAL MEDICAL AND SURGICAL TEACHING HOSPITAL. KENT IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, KENT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, KENT OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

DRAFT

1. KENT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. KENT OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. KENT MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

4. CONTROL OF KENT RESTS WITH ITS BOARD OF TRUSTEES AND THE BOARD OF TRUSTEES OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF

RIDOH 1711

INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND ACTIVITIES.

THE OPERATIONS OF KENT, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THE HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF KENT IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

DRAFT

HISTORY

=======

KENT IS AN AFFILIATE WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM ("CARE NEW ENGLAND"). CARE NEW ENGLAND IS THE TAX-EXEMPT PARENT OF THE HEALTH SYSTEM. THIS TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS.

KENT IS A 359-BED, NON-PROFIT, ACUTE CARE HOSPITAL SERVING APPROXIMATELY 300,000 RESIDENTS OF WARWICK, WEST WARWICK, EAST GREENWICH, WEST

RIDOH 1712

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

GREENWICH, COVENTRY AND PARTS OF NORTH KINGSTOWN, EXETER AND CRANSTON, RHODE ISLAND.

KENT IS LOCATED ON 57 ACRES IN THE TOLL GATE SECTION OF WARWICK (11 MILES SOUTH OF PROVIDENCE) AND IS THE SECOND LARGEST SINGLE-SITE HOSPITAL IN THE STATE.

CHARTERED BY THE STATE OF RHODE ISLAND IN 1946, KENT OPENED WITH 90 BEDS IN 1951 AND EXPANDED IN 1960, 1973 AND 1981 TO KEEP PACE WITH COMMUNITY GROWTH. TODAY, KENT PROVIDES A FULL COMPLEMENT OF INPATIENT SERVICES INCLUDING CARDIOLOGY AND EXTENDED CORONARY CARE, INFECTIOUS DISEASE, PRIMARY CARE, ONCOLOGY, ORTHOPEDICS, OBSTETRICS AND GYNECOLOGY, PEDIATRICS, REHABILITATION AND SURGERY. IN ADDITION, THE HOSPITAL OFFERS A COMPREHENSIVE RANGE OF OUTPATIENT SERVICES INCLUDING CARDIAC CATHETERIZATION, CHEMOTHERAPY, DIAGNOSTIC IMAGING AND SURGERY. THE HOSPITAL ALSO OPERATES A WOMEN'S DIAGNOSTIC IMAGING CENTER AND A WOUND RECOVERY CENTER, AND PROVIDES LABORATORY AND PRIMARY CARE SERVICES AT VARIOUS SITES THROUGHOUT THE COMMUNITY.

DRAFT

KENT HAS MORE THAN 2,300 EMPLOYEES, A MEDICAL STAFF OF MORE THAN 600, A VOLUNTEER CORPS OF 280 AND 350 AUXILIANS.

KENT'S EMERGENCY SERVICES DEPARTMENT IS THE SECOND BUSIEST IN THE STATE WITH SOME 60,000 ANNUAL VISITS. IN 1985, AN EXPRESS TREATMENT UNIT OPENED TO REDUCE THE WAITING TIME FOR TREATMENT OF MINOR INJURIES AND

RIDOH 1713

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ILLNESSES.

CARE NEW ENGLAND HEALTH SYSTEM WAS FORMED IN FEBRUARY 1996 BY FOUNDING MEMBERS BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THESE THREE HOSPITALS ARE ALL INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS.

IN JUNE 1999, KENT COUNTY VISITING NURSE ASSOCIATION BECAME A MEMBER OF THE CARE NEW ENGLAND FAMILY, AND LATER THAT YEAR ANNOUNCED ITS NAME CHANGE TO VNA OF CARE NEW ENGLAND. IN 2000, HEALTHTOUCH, INC., A PRIVATE DUTY NURSING SERVICE, JOINED THE DIVISION. TODAY, VNA OF CARE NEW ENGLAND PROVIDES A BROAD SPECTRUM OF HOME HEALTH AND HOSPICE SERVICES.

DRAFT

CARE NEW ENGLAND'S STRENGTHS ARE BASED ON COMPLEMENTARY PROGRAMS AND DISTINCTIVE COMPETENCIES OF OUR PARTNER HOSPITALS AND AGENCIES. BUTLER OFFERS EXPERTISE IN BEHAVIORAL HEALTH AND SUBSTANCE ABUSE. KENT PROVIDES A FULL CADRE OF PRIMARY AND SECONDARY ACUTE CARE SERVICES. WOMEN & INFANTS SPECIALIZES IN THE HEALTH NEEDS OF WOMEN AND NEWBORN CHILDREN. VNA OF CARE NEW ENGLAND PROVIDES A SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING SERVICES. AND, OUR CARE NEW ENGLAND WELLNESS CENTER OFFERS AN ARRAY OF REHABILITATION, WELLNESS, FITNESS AND EDUCATIONAL PROGRAMS. AS A RESULT, CARE NEW ENGLAND IS WELL POSITIONED TO TRANSITION INTO THE NEW ERA OF HEALTHCARE DELIVERY WITH A HIGH QUALITY CONTINUUM OF CARE.

RIDOH 1714

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

CARE NEW ENGLAND IS DEDICATED TO THE ADVANCEMENT OF MEDICAL EDUCATION AND RESEARCH. BUTLER HOSPITAL SERVES AS THE PRINCIPAL TEACHING AFFILIATE FOR PSYCHIATRY AND HUMAN BEHAVIOR FOR BROWN MEDICAL SCHOOL, WOMEN & INFANTS 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.

CARE NEW ENGLAND PROVIDES MEDICALLY NECESSARY CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THE ESTABLISHED RATES. BECAUSE CARE NEW ENGLAND DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE. CHARITY CARE INCLUDES SERVICES TO UNINSURED PATIENTS WHO CARE NEW ENGLAND HAS DETERMINED QUALIFY FOR CHARITY CARE UNDER CARE NEW ENGLAND POLICIES. SERVICES TO UNINSURED PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE OR WHO CARE NEW ENGLAND WAS NOT ABLE TO DETERMINE THEIR ELIGIBILITY ARE NOT REPORTED AS CHARITY CARE BUT REPORTED IN THE PROVISION FOR BAD DEBTS.

DRAFT

ADDITIONALLY, CARE NEW ENGLAND SPONSORS CERTAIN OTHER PROGRAMS WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY. SUCH PROGRAMS INCLUDE SERVICES TO NEEDY POPULATIONS INCLUDING COMMUNITY SERVICE PROGRAMS AND SERVICES FOR SCHOOL-AGED CHILDREN AND THE ELDERLY. CARE NEW ENGLAND ALSO ACTIVELY SPONSORS PROGRAMS ON HEALTH EDUCATION AND WELLNESS.

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

CARE NEW ENGLAND MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY AND COMMUNITY SERVICE POLICIES.

MISSION

=======

KENT IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

VISION

=====

KENT WILL BE ONE OF THE BEST REGIONAL HOSPITALS IN NEW ENGLAND, PREFERRED BY PATIENTS, STAFF AND PHYSICIANS FOR ITS QUALITY, SAFETY AND SERVICE.

DRAFT

AWARDS & RECOGNITIONS

==========

IN A REPORT RELEASED BY HEALTHGRADES, KENT HAS RECEIVED A FIVE STAR RATING IN MATERNITY CARE FOR 2011. KENT IS ALSO RECOGNIZED AS A CERTIFIED STROKE CENTER AND IS THE RECIPIENT OF THE AMERICAN HEART/STROKE ASSOCIATION'S GET WITH THE GUIDELINES - GOLD ACHIEVEMENT AWARD.

RIDOH 1716

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

VALUES

======

AT KENT, WE PUT THE PATIENT AND THEIR FAMILIES AT THE CENTER OF ALL WE DO. IN OUR DAY-TO-DAY INTERACTIONS WITH PATIENTS AND EACH OTHER, OUR ACTIONS AND DECISIONS ARE GUIDED BY THE FOLLOWING CORE VALUES:

- KINDNESS: WE TREAT EVERYONE WITH UNDERSTANDING AND CARING.

- EXCELLENCE: WE DEMONSTRATE UNPARALLELED QUALITY IN ALL WE DO.

- NEW IDEAS: WE ENCOURAGE LIFELONG LEARNING, CONTINUAL IMPROVEMENT AND INNOVATION.

- TRUST: WE CAN BE COUNTED ON TO ALWAYS PLACE OUR PATIENTS' INTERESTS FIRST.

- COLLABORATION: WE WORK IN PARTNERSHIPS WITH THOSE AROUND US, INCLUDING OUR PATIENTS.

- ACCOUNTABILITY: WE HOLD OURSELVES ACCOUNTABLE FOR THE IMPACT OF OUR DECISIONS.

- RESPECT: WE TREAT EACH PERSON WITH DIGNITY, RESPECTING THE DIVERSE

DRAFT

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

NEEDS OF THOSE WE SERVE.

- ETHICS: WE HOLD OURSELVES TO THE HIGHEST ETHICAL STANDARDS.

WOMEN'S CARE CENTER

==========

QUALIFIED STAFF

KENT OFFERS THE COMMUNITY PRIVATE PRACTICE OBSTETRICIANS, MIDWIVES AND PEDIATRICIANS WHO BRING A WEALTH OF EXPERIENCE. KENT MATERNITY PATIENTS RECEIVE INDIVIDUALIZED CARE FROM OUR EXPERIENCED OB NURSING TEAM.

LABOR & DELIVERY

THE WOMEN'S CARE CENTER INCLUDES SIX PRIVATE LABOR AND DELIVERY ROOMS AND A SURGICAL DELIVERY SUITE WITH ANESTHESIA SERVICES AND THE LATEST TECHNOLOGY IN FETAL MONITORING. IN ADDITION, COMPREHENSIVE DIAGNOSTIC AND TREATMENT RESOURCES FROM THE STATE'S LARGEST COMMUNITY HOSPITAL ARE IMMEDIATELY AVAILABLE.

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DRAFT

POSTPARTUM

KENT OFFERS ALL SINGLE, LARGE AND COMFORTABLE POSTPARTUM ROOMS WITH PRIVATE SHOWERS. MOST ROOMS ARE ALSO SET ASIDE AS FAMILY ROOMS WITH A SLEEP SOFA AND MINI-DINING AREA. THE PEACE OF MIND OF OUR PATIENTS AND FAMILIES IS ALSO OF PRIME IMPORTANCE. THAT'S WHY KENT'S WOMEN'S CARE CENTER IS EQUIPPED WITH ADVANCED SECURITY TECHNOLOGY AND CONTINUOUS ATTENTION TO THE PRIVACY AND COMFORT OF PATIENTS AND FAMILY MEMBERS.

SPECIAL CARE NURSERY

KENT IS PROUD TO BE THE SITE OF THE ONLY COMMUNITY HOSPITAL BASED SPECIAL CARE NURSERY IN RHODE ISLAND. A SKILLED NURSING TEAM IS UNDER THE MEDICAL DIRECTION OF A NEONATOLOGIST, A PHYSICIAN SPECIALIZING IN THE CARE OF NEWBORNS, WHO IS AVAILABLE AT ALL TIMES. THE SPECIAL CARE NURSERY IS OPERATED IN COLLABORATION WITH OUR CARE NEW ENGLAND PARTNER, WOMEN & INFANTS HOSPITAL, AND OFFERS COMPREHENSIVE AND INDIVIDUALIZED CARE FOR NEWBORNS NEEDING THIS ADDITIONAL LEVEL OF SERVICE.

EDUCATION AND CHILDBIRTH CLASSES

OUR FAMILY-CENTERED CHILDBIRTH PROGRAM INCLUDES A HOST OF EDUCATION AND

DRAFT

RIDOH 1719

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

SUPPORT CLASSES FROM PRE-PREGNANCY TO POSTPARTUM, SUCH AS OUR POPULAR MOTHER'S CLUB. AND, WE MAKE SURE THAT PROSPECTIVE DADS, BROTHERS AND SISTERS AND OTHER FAMILY MEMBERS ARE INCLUDED ALONG THE WAY. CLASSES ARE SCHEDULED AT CONVENIENT TIMES AND LED BY EXPERIENCED, INFORMATIVE WOMEN'S CARE PROFESSIONALS. OUR CERTIFIED CHILDBIRTH EDUCATORS CAN EVEN ARRANGE INDIVIDUAL PROGRAMS. FOR WOMEN CHOOSING TO BREAST FEED, LACTATION SERVICES ARE AVAILABLE DURING PRENATAL EDUCATION AND AFTER THE BABY IS BORN. ANTENATAL TESTING SERVICES ARE ALSO OFFERED RIGHT IN THE WOMEN'S CARE CENTER IN A COMFORTABLE, WELL-EQUIPPED AREA STAFFED BY A KNOWLEDGEABLE AND RESPONSIVE STAFF.

IN ADDITION TO OBSTETRICS AND GYNECOLOGICAL CARE, THE WOMEN'S CARE CENTER OFFERS SERVICES TO FEMALE AESTNETIC PATIENTS WITH THE SAME FOCUS ON PERSONALIZED, QUALITY NURSING CARE IN COMFORTABLE, MODERN SURROUNDINGS.

DRAFT

EMERGENCY MEDICINE

==========

STAFFED BY BOARD CERTIFIED PHYSICIANS AND EXPERIENCED EMERGENCY NURSES, KENT'S EMERGENCY DEPARTMENT (ED) IS THE SECOND LARGEST IN THE STATE. CARING FOR 60,000 PATIENTS ANNUALLY, THE ED OFFERS 24 HOUR A DAY COMPREHENSIVE, CRITICAL CARE FOR ALL TYPES OF MEDICAL PROBLEMS IN A STATE-OF-THE-ART FACILITY BACKED BY THE LATEST CLINICAL INFORMATION AND DIAGNOSTIC SYSTEMS.

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

OUR EXPRESS CARE SERVICE OFFERS CONVENIENT ACCESS TO CARE FOR NON LIFE-THREATENING ILLNESSES AND INJURIES SEVEN DAYS A WEEK, 24 HOURS A DAY.

THE KENT EMERGENCY DEPARTMENT OFFERS:

- INCREASED SPACE AND CAPACITY TO RESPOND TO COMMUNITY GROWTH AND DEMAND

- ENHANCED PATIENT CONFIDENTIALITY, COMFORT AND PRIVACY

- IMPROVED PATIENT FLOW AND DECREASED WAITING TIMES

- ENLARGED WAITING AREAS AND IMPROVED SPACE FOR FAMILIES TO VISIT WITH PATIENTS

- NEW GRADE LEVEL AMBULANCE ENTRANCE WITH OVERHEAD SHELTER FOR MULTIPLE ARRIVING EMS UNITS

- ENLARGED PATIENT CARE SPACES-45 DEDICATED HARD-WALLED TREATMENT BAYS

- DEDICATED ISOLATION AND BEHAVIOR HEALTHCARE ROOMS

- STATE-OF-THE-ART DECONTAMINATION FACILITY AND A MOBILE UNIT FOR ADDITIONAL CAPACITY

DRAFT

RIDOH 1721

- NEW SEPARATE WALK-IN ENTRANCE AND REGISTRATION AREAS

- DEDICATED EMERGENCY PEDIATRIC UNIT; WAITING AREA AND TREATMENT ROOMS STAFFED BY EXPERIENCED PEDIATRIC SPECIALTY DOCTORS AND NURSES

- DIGITAL RADIOLOGY TO ENHANCE DIAGNOSTIC SERVICES AND SPEED DIAGNOSES

- A DESIGN THAT CAN ACCOMMODATE UP TO 90,000 PATIENTS ANNUALLY

EXPANSION OF THE ED WAS GENEROUSLY SUPPORTED BY THE COMMUNITY THROUGH THE CAMPAIGN FOR KENT.

DRAFT

INTENSIVE CARE UNIT

==========

INTENSIVE MEDICAL-SURGICAL SERVICES ARE PROVIDED IN KENT'S 15-BED INTENSIVE CARE UNIT (ICU). THE ICU IS UNDER THE DIRECTION OF AN INTENSIVIST, A PHYSICIAN WHO IS BOARD-CERTIFIED IN THE SPECIALIZED CARE OF CRITICALLY ILL PATIENTS. THE UNIT IS STAFFED BY A MULTIDISCIPLINARY HEALTHCARE TEAM, WHICH INCLUDES A PHYSICIAN, NURSE, PHYSICAL THERAPIST, RESPIRATORY THERAPIST, SOCIAL WORKER, NUTRITIONIST AND PASTORAL CARE.

PATIENTS BENEFIT FROM ADVANCED TECHNOLOGY AND A PERSONALIZED APPROACH TO MEET THE NEEDS OF EACH INDIVIDUAL AND THEIR FAMILIES. DUE TO THE SEVERITY

RIDOH 1722

OF THE PATIENT CONDITIONS ON THIS UNIT, SPECIAL VISITATION GUIDELINES ARE NECESSARY.

CARDIOLOGY

==========

KENT OFFERS A RESPECTED REGIONAL RESOURCE FOR THE DIAGNOSIS AND MEDICAL MANAGEMENT OF HEART DISEASE. THE EXPERIENCED CARDIOLOGISTS ON THE HOSPITAL MEDICAL STAFF HAVE ACCESS TO STATE-OF-THE-ART TECHNOLOGY INCLUDING NUCLEAR MEDICINE, STRESS TESTING, ECHOCARDIOGRAPHY, HOLTER MONITORING AND CARDIAC CATHETERIZATION.

KENT'S CATHETERIZATION SERVICE PERFORMS APPROXIMATELY 600 OF THESE SPECIALIZED DIAGNOSTIC PROCEDURES ANNUALLY. A SEPARATE SPECIAL PROCEDURES FACILITY WAS EXPANDED IN 2002. THE LATTER UNIT PROVIDES ANGIOGRAPHIC AND INTERVENTIONAL PROCEDURES INCLUDING NON-CARDIAC VASCULAR STENTING; USING ADVANCED COMPUTERIZED TECHNOLOGY IN THE HANDS OF SPECIALIST PHYSICIANS IN THE FIELD.

INPATIENT CARE IS PROVIDED IN A DEDICATED, 43-BED EXTENDED CORONARY CARE UNIT EQUIPPED WITH THE LATEST IN ADVANCED TELEMETRY MONITORING. THE UNIT IS STAFFED BY EXPERIENCED CARDIAC NURSES WHO WORK CLOSELY WITH THE PATIENT'S PRIMARY AND SPECIALTY PHYSICIANS.

PSYCHIATRY

DRAFT

RIDOH 1723

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

==========

KENT'S 11-BED UNIT CARES FOR PATIENTS NEEDING MENTAL HEALTH SERVICES. THIS DEDICATED UNIT IS STAFFED BY BOARD-CERTIFIED PSYCHIATRISTS AND CERTIFIED PSYCHIATRIC NURSES BACKED BY THE FULL MEDICAL RESOURCES OF THE HOSPITAL.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 2

JONATHAN K. FARNUM AND GEORGE W. SHUSTER - BUSINESS RELATIONSHIP;

ANDREW M. ERICKSON AND MARIBETH WILLIAMSON - BUSINESS RELATIONSHIP;

JONATHAN K. FARNUM, RAYMOND J. BOLSTER, II AND JAMES A. HOPKINS - BUSINESS RELATIONSHIP; AND

ANDREA HOPKINS AND JAMES A. HOPKINS - FAMILY RELATIONSHIP.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 3

THE ORGANIZATION ENGAGES SODEXO HEALTH CARE ("SODEXO") TO BE AN AGENT OF THE ORGANIZATION AND DELEGATES CONTROL TO SODEXO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD AND NUTRITION DEPARTMENT. THE SODEXO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

WHO PERFORMS IN ACCORDANCE WITH THE ORGANIZATION'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE ORGANIZATION.

THE ORGANIZATION ENGAGES REHABCARE GROUP, INC. TO BE AN AGENT OF THE ORGANIZATION AND DELEGATES CONTROL TO REHABCARE GROUP, INC. IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS INPATIENT AND OUTPATIENT REHABILITATION DEPARTMENTS. THE REHABCARE GROUP, INC. MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE ORGANIZATION'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE ORGANIZATION.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTIONS 6 & 7

CARE NEW ENGLAND HEALTH SYSTEM ("CNE") IS THE SOLE MEMBER OF THIS ORGANIZATION. CNE HAS THE ULTIMATE AUTHORITY TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY

RIDOH 1725

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

SYSTEM. CARE NEW ENGLAND HEALTH SYSTEM IS THE PARENT ENTITY OF THE SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE IRS. IN ADDITION THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE ALSO PERFORMED A REVIEW OF THE FEDERAL FORM 990 PRIOR TO MAKING IT AVAILABLE TO EACH VOTING MEMBER OF ITS BOARD OF DIRECTORS. THE CARE NEW ENGLAND HEALTH SYSTEM BOARD OF DIRECTORS HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE SYSTEM.

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S VICE PRESIDENT OF ACCOUNTING AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING, BUT NOT LIMITED TO, THE INDIVIDUAL OUTLINED ABOVE, FOR HIS REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS

DRAFT

RIDOH 1726

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE. FOLLOWING THE FINANCE COMMITTEE'S REVIEW THE FINAL FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING WITH THE IRS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES ANNUALLY. IF A DIRECTOR DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE DIRECTOR'S POTENTIAL CONFLICT IS REFERRED TO THE BOARD OR THE COMMITTEE, WHICH EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE DIRECTOR'S PARTICIPATION ON THE BOARD OR ON CERTAIN ISSUES THAT MAY COME BEFORE THE BOARD. AFTER CONSULTATION WITH COUNSEL, THE COMMITTEE WILL TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 15

RIDOH 1727

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

THE BOARD OF DIRECTORS OF KENT COUNTY MEMORIAL HOSPITAL ("KENT") HAS A COMMITTEE OF TRUSTEES KNOWN AS THE EXECUTIVE COMMITTEE ("THE COMMITTEE"). THIS COMMITTEE SERVES AS THE COMPENSATION COMMITTEE FOR THE ORGANIZATION. THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR KENT EXECUTIVES. THE COMMITEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT AND CEO. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

DRAFT

1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT;

2. THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION; AND

3. THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION.

RIDOH 1728

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS EACH OF WHO ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST.

THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA; SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES. THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILARLY SIZED HEALTHCARE SYSTEMS AND HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE.

THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED.

DRAFT

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE PRESIDENT AND CEO. THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE ALSO REVIEWED BY THE CARE NEW ENGLAND HEALTH SYSTEM COMPENSATION COMMITTEE. IN ADDITION, THE KENT COUNTY MEMORIAL HOSPITAL PRESIDENT AND CEO, WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT, ALSO REVIEWS THE COMPENSATION

RIDOH 1729

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

AND BENEFITS OF OTHER PEOPLE INCLUDED IN THIS FORM 990 IN CONJUNCTION WITH EACH INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION C; QUESTION 19

DRAFT

THE ORGANIZATION HAS BEEN ALLOCATED A PORTION OF TAX-EXEMPT BONDS (THROUGH ITS TAX-EXEMPT PARENT CARE NEW ENGLAND HEALTH SYSTEM) TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. THE ORGANIZATION HAS REFLECTED THIS AMOUNT AS A DUE TO AFFILIATE LIABILITY ON ITS BALANCE SHEET. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE SYSTEM'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF RHODE ISLAND SECRETARY OF STATE.

COMPENSATION INFORMATION DISCLOSURE

CORE FORM, PART VII AND SCHEDULE J

PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS

RIDOH 1730

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME OR PART-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS.

IN ADDITION, JOHN J. HYNES, ESQ. IS A NON-VOTING MEMBER OF THE BOARD OF DIRECTORS AND ALSO RECEIVES A FORM W-2 FROM THIS ORGANIZATION. HE IS SHOWN AS WORKING ONE HOUR PER WEEK FOR THIS ORGANIZATION. HOWEVER, HE ALSO SERVES AS THE PRESIDENT/CHIEF EXECUTIVE OFFICER OF THE CARE NEW ENGLAND HEALTH SYSTEM ON A FULL TIME BASIS. MR. HYNES IS ALSO INCLUDED ON THE CARE NEW ENGLAND HEALTH SYSTEM FORM 990 AND IS SHOWN AS WORKING 55 HOURS PER WEEK.

DRAFT

OTHER CHANGES IN FUND BALANCE

CORE FORM, PART XI; LINE 5

OTHER CHANGES IN FUND BALANCE INCLUDE:

CHANGE IN NET UNREALIZED GAINS/(LOSSES) ON INVESTMENTS; ($749,048);

PENSION AND POST RETIREMENT ADJUSTMENT; ($9,057,549);

NET ASSETS RELEASED FROM RESTRICTIONS USED FOR EQUIPMENT PURCHASE; $405,652;

TRANSFERS TO RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION; ($27,307);

NET ASSETS RELEASED FROM TEMPORARY RESTRICTION; ($491,294);

RIDOH 1731

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

CHANGE IN NET UNREALIZED GAINS/(LOSSES) ON TEMPORARILY RESTRICTED INVESTMENTS; ($250,899);

CHANGE IN NET UNREALIZED GAINS/(LOSSES) ON PERMANENTLY RESTRICTED INVESTMENTS; ($935,108);

CHANGE IN VALUE OF TGI INVESTMENT; ($4,376,321); AND

OTHER CHANGES IN FUND BALANCE; ($109,424).

AUDITED FINANCIAL STATEMENTS

CORE FORM, PART XII; QUESTION 2

THE ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY ENTITY. AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM. CARE NEW ENGLAND HEALTH SYSTEM'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

FINANCIAL STATEMENTS AND REPORTING

CORE FORM, PART XII; QUESTION 3

DRAFT

RIDOH 1732

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"). THE SYSTEM ENGAGES AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A SYSTEM WIDE CONSOLIDATED A-133 AUDIT. THIS ORGANIZATION WAS INCLUDED IN THE SYSTEM WIDE A-133 AUDIT.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

KENT COUNTY MEMORIAL HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

DRAFT

ATTACHMENT 2

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES

(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

	(A) NAME AND TITLE	(B) HOURS	(C) POSITION (1)(2)(3)(4)(5)(6)	COMPENSATION FROM (D) ORG.	(E) REL. ORG.	(F) OTHER
29	MICHAEL DACEY MD SR VICE PRESIDENT MED AFFAIRS	55.00	X	389,916.	0.	66,615.
30	RENE E FISCHER RN SR VP - PATIENT CARE SERVICES	55.00	X	286,163.	0.	64,444.
31	DAVID B CAMPBELL SR VP- HUMAN RESOURCES	55.00	X	246,969.	0.	89,616.
32	HELEN M REED VICE PRESIDENT - REVENUE CYCLE	55.00	X	360,415.	0.	79,634.
33	JAMES M BURKE VICE PRESIDENT - FINANCE	55.00	X	231,305.	0.	44,530.
34	JEAN M BUTLER VP - PATIENT CARE SERVICES	55.00	X	199,565.	0.	16,253.
35	FRANCES FALSEY VP - PATIENT CARE SERVICES	55.00	X	191,806.	0.	25,765.
36	PAUL MCKENNEY MD ASSOCIATE MEDICAL DIRECTOR	55.00	X	331,589.	0.	46,174.
37	JOHN ISAAC MD PRESIDENT-AFFINITY PHYSICIANS	55.00	X	187,662.	0.	517.

RIDOH 1733

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 2 (CONT'D)

38 RICHARD J RENEHAN EXEC DIR - AFFINITY PHYSICIANS	55.00	X		104,354.	0.	0.
39 OMPRAKASH H KOTHARI MD MEDICAL DIRECTOR - LABORATORY	55.00		X	420,282.	0.	63,021.
40 ROBERT DINWOODIE DO MEDICAL DIR.-EMERGENCY ROOM	55.00		X	331,068.	0.	23,178.
41 KENNETH R PHILLIPS MD PHYSICIAN - INTENSIVIST	55.00		X	316,611.	0.	33,637.
42 EHSUN R MIRZA MD PHYSICIAN - INTENSIVIST	55.00		X	282,103.	0.	30,847.
43 IMENDE A SUTHERLAND MD MEDICAL DIRECTOR - REHAB UNIT	55.00		X	272,295.	0.	34,636.

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
ANDREW M ERICKSON CHAIRMAN - DIRECTOR	2.00
ANDREA HOPKINS VICE CHAIR - DIRECTOR	1.00
JOSEPH J MCGAIR ESQ VICE CHAIRMAN - DIRECTOR	0.00
LAURA J HILDERLEY RN MS SECRETARY - DIRECTOR	1.00
JONATHAN K FARNUM TREASURER - DIRECTOR	2.00
STEPHEN A ROOKS ASSISTANT SECRETARY - DIRECTOR	1.00
RAYMOND J BOLSTER II ASSISTANT TREASURER - DIRECTOR	0.00
ALFRED A ARCAND MD DIRECTOR - CHIEF OF MED. STAFF	0.00
HERBERT BRENNAN DO DIRECTOR	0.00
JANICE CAIANIELLO RN DIRECTOR	1.00
THOMAS J CELONA DIRECTOR	2.00
SANDRA L COLETTA DIRECTOR - PRESIDENT AND CEO	2.00
EDWARD J COONEY DIRECTOR	2.00
HONORABLE FRANCIS X FLAHERTY DIRECTOR	0.00
DUANE T GOLOMB MD DIRECTOR - PRES. MEDICAL STAFF	1.00

DRAFT

RIDOH 1734

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

ATTACHMENT 3 (CONT'D)

MICHAEL A GRANDE	
DIRECTOR	0.00
JAMES M HAGERTY	
DIRECTOR	0.00
JAMES A HOPKINS	
DIRECTOR	1.00
JOHN J HYNES ESQ TERM 8/1/11	
NON-VOTING DIR. - PRES/CEO/CNE	56.00
POLLY E LEONARD DO	
DIRECTOR	0.00
KENNETH L MACNAUGHT	
DIRECTOR	1.00
GERALD MCCLURE	
DIRECTOR	1.00
GEORGE W SHUSTER	
DIRECTOR	2.00
JOSEPH W SPINALE DO	
DIRECTOR	0.00
JAMES M VESEY	
DIRECTOR	1.00
MARIBETH WILLIAMSON	
DIRECTOR	1.00
JOSEPH A DIPIETRO	
SENIOR VICE PRESIDENT/CAO	0.00
PAUL A BEAUDOIN	
SENIOR VICE PRESIDENT-FINANCE	1.00
MICHAEL DACEY MD	
SR VICE PRESIDENT MED AFFAIRS	1.00
RENE E FISCHER RN	
SR VP - PATIENT CARE SERVICES	0.00
DAVID B CAMPBELL	
SR VP- HUMAN RESOURCES	0.00
HELEN M REED	
VICE PRESIDENT - REVENUE CYCLE	0.00
JAMES M BURKE	
VICE PRESIDENT - FINANCE	0.00
JEAN M BUTLER	
VP - PATIENT CARE SERVICES	0.00
FRANCES FALSEY	
VP - PATIENT CARE SERVICES	0.00
PAUL MCKENNEY MD	
ASSOCIATE MEDICAL DIRECTOR	0.00
JOHN ISAAC MD	
PRESIDENT-AFFINITY PHYSICIANS	0.00
RICHARD J RENEHAN	
EXEC DIR - AFFINITY PHYSICIANS	0.00
OMPRAKASH H KOTHARI MD	
MEDICAL DIRECTOR - LABORATORY	0.00
ROBERT DINWOODIE DO	
MEDICAL DIR.-EMERGENCY ROOM	0.00
KENNETH R PHILLIPS MD	
PHYSICIAN - INTENSIVIST	0.00

DRAFT

RIDOH 1735

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 3 (CONT'D)

EHSUN R MIRZA MD	
PHYSICIAN - INTENSIVIST	0.00
IMENDE A SUTHERLAND MD	
MEDICAL DIRECTOR - REHAB UNIT	0.00

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
REHABCARE GROUP INC 680 SOUTH FOURTH STREET LOUISVILLE, KY 40202	MEDICAL	1,698,572.
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LAUNDRY	1,156,819.
MAYO MEDICAL LABORATORIES P.O. BOX 4100 ROCHESTER, MN 55903-4100	LABORATORY	671,547.
XIMEDICA LLC 55 DUPONT DRIVE PROVIDENCE, RI 02907	CONSULTING	662,280.
XRA MEDICAL IMAGING 6725 POST ROAD NORTH KINGSTOWN, RI 02852	RADIOLOGY	648,507.
	TOTAL COMPENSATION	4,837,725.

DRAFT

ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	150,677.			150,677.
INTEREST INCOME - MED. STAFF	1,306.			1,306.
INTEREST INCOME - AUXILIARY	188.			188.

RIDOH 1736

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

ATTACHMENT 5 (CONT'D)

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INTEREST INCOME - GIFT SHOP	533.			533.
INTEREST INCOME	141,251.			141,251.
NET INVESTMENT LOSS - PERM RESTRICTED	-64,376.			-64,376.
INCOME FROM INVEST. - TEMP RESTRICTED	449,984.			449,984.
TOTALS	679,563.			679,563.

DRAFT

ATTACHMENT 6

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
GOLF OUTING	37,860.
SPRING FASHION SHOW	4,571.
OTHER EVENTS	203,309.
TOTAL	245,740.

ATTACHMENT 7

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES
GOLF OUTING	20,301.	20,301.
SPRING FASHION SHOW	6,267.	6,267.
OTHER EVENTS	12,336.	12,336.
TOTALS	38,904.	38,904.

RIDOH 1737

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 8

FORM 990, PART VIII - GROSS SALES AND COST OF GOODS SOLD

GROSS SALES LESS RETURNS AND ALLOWANCES	502,958.
INVENTORY AT BEGINNING OF YEAR	134,247.
PURCHASES	271,765.
SALARIES AND WAGES	
OTHER COSTS	113,679.
SUBTOTAL	519,691.
MINUS ENDING INVENTORY	152,193.
COST OF GOODS SOLD	367,498.

DRAFT

ATTACHMENT 9

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: DUE FROM AFFILIATES

BEGINNING BALANCE DUE	862,067.
ENDING BALANCE DUE	2,620,530.
TOTAL BEGINNING NOTES AND LOANS RECEIVABLE	862,067.
TOTAL ENDING NOTES AND LOANS RECEIVABLES	2,620,530.

ATTACHMENT 10

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: KEY GOVERNMENT FINANCE, INC.
ORIGINAL AMOUNT: 4,425,000.
INTEREST RATE: 4.125000
DATE OF NOTE: 06/22/2010
MATURITY DATE: 12/22/2014
REPAYMENT TERMS: 10 PAYMENTS OF $490,564.96; JUN & DEC 2010-2014

BEGINNING BALANCE DUE	4,019,404.
ENDING BALANCE DUE	3,184,695.

RIDOH 1738

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 10 (CONT'D)

LENDER: SUN TRUST EQUIPMENT FINANCE & LEASING CO
ORIGINAL AMOUNT: 3,520,000.
INTEREST RATE: 4.270000
DATE OF NOTE: 08/30/2006
MATURITY DATE: 08/30/2013
REPAYMENT TERMS: 14 PAYMENTS OF $293,512.18; FEB & AUG 2007-2013
PURPOSE OF LOAN: LOAN FOR PURCHASE OF EQUIPMENT

BEGINNING BALANCE DUE	1,636,668.
ENDING BALANCE DUE	1,113,985.

LENDER: BANK OF AMERICA
ORIGINAL AMOUNT: 5,500,000.
INTEREST RATE: 3.327000
DATE OF NOTE: 12/29/2004
MATURITY DATE: 12/29/2010
REPAYMENT TERMS: 12 PAYMENTS OF $509,389.76; JUN & DEC 2005-2010

BEGINNING BALANCE DUE	501,055.
ENDING BALANCE DUE	0.
TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	6,157,127.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	4,298,680.

DRAFT

RIDOH 1739

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) KENT ANCILLARY SERVICES, LLC 56-2420959 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTHCARE	RI	3,388,268.	0.	KCMH
(2) AFFINITY PHYSICIANS, LLC 27-2557996 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTHCARE	RI	2,163,633.	1,943,383.	KCMH
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HEALTHCARE	RI	501(C)(3)	509(A)(3)	N/A		X
(2) BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BLVD. PROVIDENCE, RI 02906	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE		X
(3) WOMEN AND INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	CNE		X
(4) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(1)	WIC		X
(5) WOMEN AND INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	WIC		X
(6) PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC.	RI	501(C)(3)	509(A)(2)	WIC		X
(7) WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTHCARE	MA	501(C)(3)	509(A)(2)	WIH		X

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	509(A)(3)	KCMH	X	
(2) KENT COUNTY VNA D/B/A VNA OF CNE 05-0242659 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	170B1AVi	CNE		X
(3) HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	509(A)(2)	KCVNA		X
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 1741

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	KCMH	C CORP.	9,529,300.	28,434,618.	100.0000
(2) W & I INDEMNITY, LTD. 98-0159342 23 LIME TREE AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(3)							
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 1742

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b	X	
c	Gift, grant, or capital contribution from other organization(s)	1c	X	
d	Loans or loan guarantees to or for other organization(s)	1d	X	
e	Loans or loan guarantees by other organization(s)	1e	X	
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l	X	
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	X	
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	KENT HOSPITAL FOUNDATION	B	245,740.	COST
(2)	KENT HOSPITAL FOUNDATION	C	1,113,750.	COST
(3)				
(4)				
(5)				
(6)				

DRAFT

RIDOH 1743

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

	(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
(11)											
(12)											
(13)											
(14)											
(15)											
(16)											

DRAFT

RIDOH 1744

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

DRAFT

0E7000 1 000

RENT AND ROYALTY INCOME

Taxpayer's Name	Identifying Number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

DESCRIPTION OF PROPERTY
RENTAL INCOME

	Yes		No	Did you actively participate in the operation of the activity during the tax year?

REAL RENTAL INCOME		
OTHER INCOME		
RENTAL INCOME	361,953.	
TOTAL GROSS INCOME		361,953.
OTHER EXPENSES:		
SEE ATTACHMENT		
DEPRECIATION (SHOWN BELOW)		
LESS: Beneficiary's Portion		
AMORTIZATION		
LESS: Beneficiary's Portion		
DEPLETION		
LESS: Beneficiary's Portion		
TOTAL EXPENSES		247,997.
TOTAL RENT OR ROYALTY INCOME (LOSS)		113,956.
Less Amount to		
Rent or Royalty		
Depreciation		
Depletion		
Investment Interest Expense		
Other Expenses		
Net Income (Loss) to Others		
Net Rent or Royalty Income (Loss)		113,956.
Deductible Rental Loss (if Applicable)		

DRAFT

SCHEDULE FOR DEPRECIATION CLAIMED

(a) Description of property	(b) Cost or unadjusted basis	(c) Date acquired	(d) ACRS des.	(e) Bus %	(f) Basis for depreciation	(g) Depreciation in prior years	(h) Method	(i) Life or rate	(j) Depreciation for this year
JSA **Totals**									

SUPPLEMENT TO RENT AND ROYALTY SCHEDULE

OTHER INCOME

RENTAL INCOME	361,953.
	361,953.

OTHER DEDUCTIONS

CLEANING	3,084.
REPAIRS	1,726.
UTILITIES	7,908.
RENT	148,706.
OTHER EXPENSES	86,573.
	247,997.

DRAFT

RENT AND ROYALTY SUMMARY

PROPERTY	TOTAL INCOME	DEPLETION/ DEPRECIATION	OTHER EXPENSES	ALLOWABLE NET INCOME
RENTAL INCOME	361,953.		247,997.	113,956.
TOTALS	361,953.		247,997.	113,956.

DRAFT

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No. 1545-0092

2010

Name of estate or trust

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Note: *Form 5227 filers need to complete* ***only*** *Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example. 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	979,106.
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	979,106.

DRAFT

Part III Summary of Parts I and II Caution: *Read the instructions* ***before*** *completing this part.*		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13 **Net short-term gain or (loss)**	13			
14 **Net long-term gain or (loss):**				
a Total for year	14a			979,106.
b Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			979,106.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV. If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet*** *as necessary.*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust), the **smaller** of: 16 ( )

a The loss on line 15, column (3) **or** b $3,000

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover.*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero.

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if:*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17	
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero		18		
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)		19		
20	Add lines 18 and 19		20		
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶		21		
22	Subtract line 21 from line 20. If zero or less, enter -0-			22	
23	Subtract line 22 from line 17. If zero or less, enter -0-			23	
24	Enter the **smaller** of the amount on line 17 or $2,300			24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **No.** Enter the amount from line 23			25	
26	Subtract line 25 from line 24			26	
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22			27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28	
29	Subtract line 28 from line 27			29	
30	Multiply line 29 by 15% (.15)				30
31	Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				31
32	Add lines 30 and 31				32
33	Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				33
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)				34

DRAFT

Name of estate or trust as shown on Form 1041 Do not enter name and employer identification number if shown on the other side

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number 05-0258896

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 sh. 7% preferred of "Z" Co)	(b) Date acquired (mo , day, yr.)	(c) Date sold (mo., day, yr)	(d) Sales price (see page 4 of the instructions)	(e) Cost or other basis (see page 4 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
6a					
MELLON PORTFOLIO	VARIOUS	VARIOUS	10,502,947.	10,025,060.	477,887.
CHAMPLIN INVESTMENTS	VARIOUS	VARIOUS	2,564,149.	2,106,827.	457,322.
JOHNSON INVESTMENTS	VARIOUS	VARIOUS	227,432.	183,535.	43,897.

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2010

Attachment Sequence No. **27**

Name(s) shown on return

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

2 (a) Description of property	(b) Date acquired (mo , day, yr.)	(c) Date sold (mo , day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3 Gain, if any, from Form 4684, line 42 3

4 Section 1231 gain from installment sales from Form 6252, line 26 or 37 4

5 Section 1231 gain or (loss) from like-kind exchanges from Form 8824 5

6 Gain, if any, from line 32, from other than casualty or theft 6

7 Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows. 7

Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.

Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9. If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.

8 Nonrecaptured net section 1231 losses from prior years (see instructions) 8

9 Subtract line 8 from line 7. If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions) 9

Part II **Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less)

ATTACHMENT 1						-2,934.

11 Loss, if any, from line 7 . . . . . 11 ( )

12 Gain, if any, from line 7 or amount from line 8, if applicable 12

13 Gain, if any, from line 31 13

14 Net gain or (loss) from Form 4684, lines 34 and 41a 14

15 Ordinary gain from installment sales from Form 6252, line 25 or 36 15

16 Ordinary gain or (loss) from like-kind exchanges from Form 8824 16

17 Combine lines 10 through 16 . . . . . 17 -2,934.

18 For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below

a If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a" See instructions 18a

b Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14 . . . . . 18b

DRAFT

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property:	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (**Note:** *See line 1 before completing.*)	20				
21	Cost or other basis plus expense of sale	21				
22	Depreciation (or depletion) allowed or allowable	22				
23	Adjusted basis. Subtract line 22 from line 21	23				
24	Total gain. Subtract line 23 from line 20	24				
25	**If section 1245 property:**					
a	Depreciation allowed or allowable from line 22	25a				
b	Enter the **smaller** of line 24 or 25a	25b				
26	**If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a				
b	Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c	Subtract line 26a from line 24. If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d	Additional depreciation after 1969 and before 1976	26d				
e	Enter the **smaller** of line 26c or 26d	26e				
f	Section 291 amount (corporations only)	26f				
g	Add lines 26b, 26e, and 26f	26g				
27	**If section 1252 property:** Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a				
b	Line 27a multiplied by applicable percentage (see instructions)	27b				
c	Enter the **smaller** of line 24 or 27b	27c				
28	**If section 1254 property:**					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b	Enter the **smaller** of line 24 or 28a	28b				
29	**If section 1255 property:**					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b	Enter the **smaller** of line 24 or 29a (see instructions)	29b				

DRAFT

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties. Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30. Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years	33		
34	Recomputed depreciation (see instructions)	34		
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report	35		

KENT COUNTY MEMORIAL HOSPITAL

Supplement to Form 4797 Part II Detail

05-0258896

ATTACHMENT 1

Description	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed or Allowable	Cost or Other Basis	Gain or (Loss) for entire year
MAJOR MOVEABLE EQUIP	VARIOUS	VARIOUS	800.	33,804.	37,538.	-2,934.
Totals						-2,934.

DRAFT

JSA

0XA259 1.000

8003CY U600

RIDOH 1754

Form **5471**
(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ See separate instructions.

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 10/01/2010 , and ending 09/30/2011

OMB No. 1545-0704

Attachment Sequence No. **121**

Name of person filing this return	A Identifying number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896
Number, street, and room or suite no. (or P.O. box number if mail is not delivered to street address)	B Category of filer (See instructions. Check applicable box(es)).
455 TOLL GATE ROAD	1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒
City or town, state, and ZIP code	C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.000%
WARWICK RI 02886	

Filer's tax year beginning 10/01/2010 , and ending 09/30/2011

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information* ***must*** *be in English. All amounts* ***must*** *be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
TOLL GATE INDEMNITY, LTD.
P.O. BOX 1051
, GRAND CAYMAN CJ

b Employer identification number, if any: 34-2028514

c Country under whose laws incorporated: CAYMAN ISLANDS

d Date of incorporation	e Principal place of business	f Principal business activity code number	g Principal business activity	h Functional currency
03/25/2004	CJ	525990	OTHER FINANCIAL VEHICLE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
0.	0.

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
MARSH MANAGMENT
P.O. BOX 1051
GRAND CAYMAN CJ

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
SAME

DRAFT

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	120,000.	120,000.

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder **Note:** *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
KENT COUNTY MEMORIAL HOSPITAL 455 TOLL GATE ROAD WARWICK RI 02886 05-0258896	COMMON	120,000.	120,000.	100.00000

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

				Functional Currency	U.S. Dollars
Income	1 a	Gross receipts or sales	1a		6,489,699.
	b	Returns and allowances	1b		
	c	Subtract line 1b from line 1a	1c		6,489,699.
	2	Cost of goods sold	2		
	3	Gross profit (subtract line 2 from line 1c)	3		6,489,699.
	4	Dividends	4		
	5	Interest	5		
	6 a	Gross rents	6a		
	b	Gross royalties and license fees	6b		
	7	Net gain or (loss) on sale of capital assets	7		
	8	Other income (attach schedule) ATTACHMENT 1	8		3,039,601.
	9	Total income (add lines 3 through 8)	9		9,529,300.
Deductions	10	Compensation not deducted elsewhere	10		
	11 a	Rents	11a		
	b	Royalties and license fees	11b		
	12	Interest	12		
	13	Depreciation not deducted elsewhere	13		
	14	Depletion	14		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16	Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) ATTACHMENT 2	16		13,905,620.
	17	Total deductions (add lines 10 through 16)	17		13,905,620.
Net Income	18	Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		-4,376,320.
	19	Extraordinary items and prior period adjustments (see instructions)	19		
	20	Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21	Current year net income or (loss) per books (combine lines 18 through 20)	21		-4,376,320.

DRAFT

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U S dollars
1	U S.			0.
2	CAYMAN ISLAND	0.	1.0000	0.
3				
4				
5				
6				
7				
8	Total ▶			0.

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1 Cash	1	3,921,281.	853,783.
2a Trade notes and accounts receivable	2a		
b Less allowance for bad debts	2b	( )	( )
3 Inventories	3		
4 Other current assets (attach schedule) ATTACHMENT 3	4	2,253,435.	4,800,315.
5 Loans to shareholders and other related persons	5		
6 Investment in subsidiaries (attach schedule)	6		
7 Other investments (attach schedule) ATTACHMENT 4	7	22,900,765.	22,780,520.
8a Buildings and other depreciable assets	8a		
b Less accumulated depreciation	8b	( )	( )
9a Depletable assets	9a		
b Less accumulated depletion	9b	( )	( )
10 Land (net of any amortization)	10		
11 Intangible assets:			
a Goodwill	11a		
b Organization costs	11b		
c Patents, trademarks, and other intangible assets	11c		
d Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12 Other assets (attach schedule)	12		
13 Total assets	13	29,075,481.	28,434,618.
Liabilities and Shareholders' Equity			
14 Accounts payable	14	276,005.	306,853.
15 Other current liabilities (attach schedule) ATTACHMENT 5	15	6,116,861.	1,703,685.
16 Loans from shareholders and other related persons	16		
17 Other liabilities (attach schedule) ATTACHMENT 6	17	17,092,337.	25,210,122.
18 Capital stock:			
a Preferred stock	18a		
b Common stock	18b	120,000.	120,000.
19 Paid-in or capital surplus (attach reconciliation) ATTACHMENT 7	19	2,440,580.	2,440,580.
20 Retained earnings	20	3,029,698.	-1,346,622.
21 Less cost of treasury stock	21	( )	( )
22 Total liabilities and shareholders' equity	22	29,075,481.	28,434,618.

DRAFT

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?		X
	If "Yes," see the instructions for required attachment		
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)?		X
	If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X

Schedule H Current Earnings and Profits (see instructions)

Important: *Enter the amounts on lines 1 through 5c in* ***functional*** *currency.*

1	Current year net income or (loss) per foreign books of account			1	-4,376,320.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S financial and tax accounting standards (see instructions):	**Net Additions**	**Net Subtractions**		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach schedule) ATCH 8	13,036,220.	6,489,699.		
3	Total net additions	13,036,220.			
4	Total net subtractions		6,489,699.		
5 a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	2,170,201.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	2,170,201.
d	Current earnings and profits in U S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))			5d	
	Enter exchange rate used for line 5d ▶				

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	2,170,201.
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	2,170,201.
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

05-0258896

SCHEDULE J (Form 5471)
(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471
KENT COUNTY MEMORIAL HOSPITAL

Identifying number
05-0258896

Name of foreign corporation
TOLL GATE INDEMNITY, LTD.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	-1,661,983.					-1,661,983.
2a Current year E&P	2,170,201.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	508,218.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year	2,170,201.					
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,661,983.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,661,983.					-1,661,983.

DRAFT

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
0X1665 1.000

RIDOH 1759

SCHEDULE M (Form 5471)
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471: KENT COUNTY MEMORIAL HOSPITAL

Identifying number: 05-0258896

Name of foreign corporation: TOLL GATE INDEMNITY, LTD.

Important: *Complete a* ***separate*** *Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f) All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ U.S. DOLLAR

(a) Transactions of foreign corporation	(b) U S. person filing this return	(c) Any domestic corporation or partnership controlled by U S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)	0.	0.	0.	0.	0.
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11	0.	0.	0.	0.	0.
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc) . . .					
16 Platform contribution transaction payments paid					
17 Cost sharing transaction payments paid .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .	0.	0.	0.	0.	0.
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	0.	0.	0.	0.	0.

DRAFT

RIDOH 1760

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 2 DETAIL

ATTACHMENT 1

SCH C, LINE 8 - OTHER INCOME

INVESTMENT INCOME	3,039,601.
TOTAL	3,039,601.

ATTACHMENT 2

SCH C, LINE 16 - OTHER DEDUCTIONS

UNREALIZED LOSSES ON INVESTMENTS	3,223,470.
GENERAL & ADMINISTRATIVE EXPENSES	869,400.
LOSSES PAID AND LOSS EXPENSES	1,694,965.
CHANGE IN RESERVES - LOSS & ADJ EXP	8,117,785.
TOTAL	13,905,620.

DRAFT

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 3 DETAIL

	BEGINNING US CURRENCY	ENDING US CURRENCY
		ATTACHMENT 3
SCH F, LINE 4 - OTHER CURRENT ASSETS		
PREMIUMS RECEIVABLE	2,229,568.	4,790,695.
PREPAID EXPENSES	23,867.	9,620.
TOTALS	2,253,435.	4,800,315.
		ATTACHMENT 4
SCH F, LINE 7 - OTHER INVESTMENTS		
MARKETABLE SECURITIES	22,900,765.	22,780,520.
TOTALS	22,900,765.	22,780,520.
		ATTACHMENT 5
SCH F, LINE 15 - OTHER CURRENT LIABILITIES		
LOSSES PAYABLE	5,164,541.	464,617.
UNEARNED PREMIUM	952,320.	1,239,068.
TOTALS	6,116,861.	1,703,685.
		ATTACHMENT 6
SCH F, LINE 17 - OTHER LIABILITIES		
OUTSTANDING LOSS RESERVES & IBNR	17,092,337.	25,210,122.
TOTALS	17,092,337.	25,210,122.
		ATTACHMENT 7
SCH F, LINE 19 - PAID-IN OR CAP SURPLUS		
ADDITIONAL PAID IN CAPITAL	2,440,580.	2,440,580.
TOTALS	2,440,580.	2,440,580.

DRAFT

ATTACHMENT(S) 3,4,5,6,7

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

ATTACHMENT 8

FORM 5471, PAGE 4 DETAIL

SCH H, LINE 2H - OTHER RECONCILING ITEMS	NET ADDITIONS	NET SUBTRACTS
LOSS AND LOSS ADJUSTMENT EXPENSE INCURRED	9,812,750.	
NET UNREALIZED LOSS	3,223,470.	
PREMIUMS EARNED		6,489,699.
TOTALS	13,036,220.	6,489,699.

DRAFT

Form **926**
(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶ Attach to your income tax return for the year of the transfer or distribution.

OMB No 1545-0026
Attachment Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor	Identifying number (see instructions)
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? . . . . . ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? . . . . . ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? . . . . . ☐ Yes ☐ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? . . . . . ☐ Yes ☐ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? . . . . . ☐ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? . . . . . ☐ Yes ☐ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? . . . . . ☐ Yes ☐ No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation)	4 Identifying number, if any
TOLL GATE INDEMNITY, LTD.	34-2028514

5 Address (including country) P.O. BOX 1051
GRAND CAYMAN CAYMAN ISLANDS CJ

6 Country code of country of incorporation or organization (see instructions)
CJ

7 Foreign law characterization (see instructions)
CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? . . . . . ☒ Yes ☐ No

DRAFT

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	VAR		2,709,968.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs sec 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1 367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

DRAFT

Supplemental Information Required To Be Reported (see instructions):

TRANSFER OF $2,709,968 CASH AND DEEMED CASH CONTRIBUTIONS ON VARIOUS DATES WERE DURING THE FISCAL YEAR ENDED 9/30/2011. THE AMOUNTS TRANSFERRED WERE IN THE FORM OF A PREMIUM PAID TO A WHOLLY OWNED CAPTIVE. FOR U.S. FEDERAL INCOME TAX PURPOSES, THE ARRANGEMENT IS NOT BEING TREATED AS INSURANCE.

Part IV **Additional Information Regarding Transfer of Property** (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 100 % (b) After 100 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

a	Gain recognition under section 904(f)(3)	☐ Yes	☒ No
b	Gain recognition under section 904(f)(5)(F)	☐ Yes	☒ No
c	Recapture under section 1503(d)	☐ Yes	☒ No
d	Exchange gain under section 987	☐ Yes	☒ No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

a	Tainted property	☐ Yes	☒ No
b	Depreciation recapture	☐ Yes	☒ No
c	Branch loss recapture	☐ Yes	☒ No
d	Any other income recognition provision contained in the above-referenced regulations	☐ Yes	☒ No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ _____

16 Was cash the only property transferred? ☒ Yes ☐ No

17a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SECTION 6038 STATEMENT

1. TRANSFEROR:
NAME: KENT COUNTY MEMORIAL HOSPITAL
FEIN: 05-0258896
ADDRESS: 455 TOLL GATE ROAD
WARWICK, RI 02886

2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: TOLL GATE INDEMNITY, LTD.
FEIN: 34-2028514
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS
COUNTRY OF INCORPORATION: CAYMAN ISLANDS

(II) KENT COUNTY MEMORIAL HOSPITAL TRANSFERRED TO TOLL GATE INDEMNITY, LTD. CASH OF $2,709,968 AS A PAID PREMIUM. THE TRANSFER BY KENT COUNTY MEMORIAL HOSPITAL IN THE AMOUNT OF $2,709,968 IS A CAPITAL CONTRIBUTION TO TOLL GATE INDEMNITY, LTD. BEFORE AND AFTER THE EXCHANGE, KENT COUNTY MEMORIAL HOSPITAL, OWNED 100.0% OF TOLL GATE INDEMNITY, LTD. STOCK. SUBJECT TO THE PROVISION OF IRC §367(A) OF 1986, AS AMENDED, THE TRANSACTION QUALIFIES AS A TAX-FREE TRANSACTION UNDER IRC §351.

3. CONSIDERATION RECEIVED: SHARE INTEREST

4. PROPERTY TRANSFERRED:
(I) CASH: $2,709,968
(II) ACTIVE BUSINESS PROPERTY: NOT APPLICABLE
(III) STOCK OR SECURITIES: NOT APPLICABLE
(IV) DEPRECIATED PROPERTY: NOT APPLICABLE
(V) PROPERTY TO BE LEASED: NOT APPLICABLE
(VI) PROPERTY TO BE SOLD: NOT APPLICABLE
(VII) TRANSFERS TO FSC'S: NOT APPLICABLE
(VIII) TAINTED PROPERTY: NOT APPLICABLE
(IX) FOREIGN LOSS BRANCH: NOT APPLICABLE
(X) OTHER INTANGIBLES: NOT APPLICABLE

5. TRANSFER OF FOREIGN BRANCH WITH PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE
(I) BRANCH OPERATION: NOT APPLICABLE
(II) BRANCH PROPERTY: NOT APPLICABLE
(III) PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE
(IV) CHARACTER OF GAIN: NOT APPLICABLE

6. APPLICATION OF SECTION 367(A)(5): NOT APPLICABLE

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SCHEDULE M, LINE 11

TOLL GATE INDEMNITY, LTD. IS A CAPTIVE INSURANCE COMPANY, AND AS SUCH, DOES NOT RECOGNIZE PREMIUM REVENUE. INSTEAD,KENT COUNTY MEMORIAL HOSPITAL MAKES SELF INSURANCE DEPOSITS WITH THE ORGANIZATION.

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471 AND FORM 926

1. TRANSFEROR:
NAME: KENT COUNTY MEMORIAL HOSPITAL
FEIN: 05-0258896
ADDRESS: 455 TOLL GATE ROAD
WARWICK, RI 02886

2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: TOLL GATE INDEMNITY, LTD.
FEIN: 34-2028514
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS, B.W.I.

THIS STATEMENT IS BEING FILED WITH TOLL GATE INDEMNITY, LTD., THE TRANSFEREE, FORM 5471, INFORMATION RETURN OF U.S. PERSONS, WITH RESPECT TO THE TRANSFEREE, FOR THE TAXABLE YEAR ENDED SEPTEMBER 30, 2011.

THIS STATEMENT IS FILED IN ACCORANCE WITH REG. §1.351-3(B) TO DISCLOSE THE DETAILS OF PROPERTY TRANSFERRED TO THE ABOVE CONTROLLED CORPORATION.

2. DATE(S) OF THE TRANSFER OF ASSETS:

10/26/2010 - $ 941,425
03/18/2011 - $1,062,962
07/25/2011 - $ 705,581

$2,709,968.

DRAFT

3. AGGREGATE FAIR MARKET VALUE AND BASIS, DETERMINED IMMEDIATELY BEFORE THE EXCHANGE, OF ALL PROPERTY RECEIVED IN THE EXCHANGE:

A. FAIR MARKET VALUE

AT VARIOUS TIMES THROUGHOUT THE YEAR, THE TRANSFEREE RECEIVED CASH AND DEEMED CONTRIBUTIONS IN THE AMOUNT OF USD $2,709,968 FROM THE TRANSFEROR, KENT COUNTY MEMORIAL HOSPITAL

B. ADJUSTED BASIS OF PROPERTY:

KENT COUNTY MEMORIAL HOSPITAL BASIS IN THE PROPERTY TRANSFERRED ON THE DATE(S) OF THE EXCHANGE WAS USD $2,709,968

4. DATE AND CONTROL NUMBER OF ANY PRIVATE LETTER RULING(S) ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE: NOT APPLICABLE.

Form **8879-EO**

Department of the Treasury
Internal Revenue Service

IRS *e-file* Signature Authorization for an Exempt Organization

For calendar year 2010, or fiscal year beginning 10/01 , 2010, and ending 09/30 , 20 11

▶ **Do not send to the IRS. Keep for your records.**

▶ **See instructions on back.**

OMB No. 1545-1878

2010

Name of exempt organization

KENT COUNTY MEMORIAL HOSPITAL

Name and title of officer

Employer identification number

05-0258896

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the return for which you are using this Form 8879-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a,** below, and the amount on that line for the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). But, if you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than 1 line in Part I.

1a	**Form 990** check here ▶ [X]	**b**	**Total revenue,** if any (Form 990, Part VIII, column (A), line 12)	**1b** 313360245.
2a	**Form 990-EZ** check here ▶ [ ]	**b**	**Total revenue,** if any (Form 990-EZ, line 9)	**2b**
3a	**Form 1120-POL** check here ▶ [ ]	**b**	**Total tax** (Form 1120-POL, line 22)	**3b**
4a	**Form 990-PF** check here ▶ [ ]	**b**	**Tax based on investment income** (Form 990-PF, Part VI, line 5) .	**4b**
6a	**Form 8868** check here ▶ [ ]	**b**	**Balance Due** (Form 8868, Part I, line 3c or Part II, line 8c)	**5b**

Part II Declaration and Signature Authorization of Officer

Under penalties of perjury, I declare that I am an officer of the above organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund. If applicable, I authorize the U.S. Treasury and its designated Financial Agent to initiate an electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment. I have selected a personal identification number (PIN) as my signature for the organization's electronic return and, if applicable, the organization's consent to electronic funds withdrawal.

Officer's PIN: check one box only

[X] I authorize WITHUMSMITH+BROWN, PC to enter my PIN 5 8 8 9 6 as my signature

ERO firm name

Enter five numbers, but do not enter all zeros

on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I also authorize the aforementioned ERO to enter my PIN on the return's disclosure consent screen.

[ ] As an officer of the organization, I will enter my PIN as my signature on the organization's tax year 2010 electronically filed return. If I have indicated within this return that a copy of the return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I will enter my PIN on the return's disclosure consent screen.

Officer's signature ▶ Paul A. Brown Date ▶ 8/6/2012

Part III Certification and Authentication

ERO's EFIN/PIN. Enter your six-digit electronic filing identification number (EFIN) followed by your five-digit self-selected PIN.

2 2 0 0 6 2 0 7 9 6 0

do not enter all zeros

I certify that the above numeric entry is my PIN, which is my signature on the 2010 electronically filed return for the organization indicated above. I confirm that I am submitting this return in accordance with the requirements of **Pub. 4163,** Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns.

ERO's signature ▶ _____ Date ▶ _____

ERO Must Retain This Form - See Instructions

Do Not Submit This Form To the IRS Unless Requested To Do So

For Paperwork Reduction Act Notice, see back of form. Form **8879-EO** (2010)

J8A

0E1676 2000 03CY U600

RIDOH 1770

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

WithumSmith+Brown, PC
Certified Public Accountants and Consultants

CLIENT COPY

INSTRUCTIONS FOR FILING
KENT COUNTY MEMORIAL HOSPITAL
FORM 990T - EXEMPT ORGANIZATION BUSINESS RETURN
FOR THE PERIOD ENDED SEPTEMBER 30, 2011

****

SIGNATURE...
THE ORIGINAL RETURN SHOULD BE SIGNED (USING FULL NAME AND TITLE) AND DATED ON PAGE 2 BY AN AUTHORIZED OFFICER OF THE ORGANIZATION.

FILING...
THE SIGNED RETURN SHOULD BE FILED ON OR BEFORE AUGUST 15, 2012 WITH...

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE CENTER
OGDEN, UT 84201-0027

PAYMENT OF TAX...
NO PAYMENT OF TAX IS REQUIRED.

THE RETURN SHOULD BE SENT CERTIFIED MAIL, RETURN RECEIPT REQUESTED.

****

465 South Street, Suite 200
Morristown, New Jersey 07960-6497
973 898 9494 . fax 973 898 0686
www.withum.com
Additional Offices in New Jersey, New York, Pennsylvania, Maryland, Florida and Colorado
A member of HLB International. A world-wide network of independent professional accounting firms and business advisers.

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2010 or other tax year beginning 10/01, 2010, and ending 09/30, 2011. ▶ See separate instructions.

OMB No. 1545-0687

2010

Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(C)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

C Book value of all assets at end of year
170,485,058.

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
KENT COUNTY MEMORIAL HOSPITAL

Number, street, and room or suite no. If a P.O. box, see page 8 of instructions.
455 TOLL GATE ROAD

City or town, state, and ZIP code
WARWICK, RI 02886

D Employer identification number (Employees' trust, see instructions for Block D on page 9.)
05-0258896

E Unrelated business activity codes (See instructions for Block E on page 9.)
812900

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ ATTACHMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No
If "Yes," enter the name and identifying number of the parent corporation. ▶ ATTACHMENT 2

J The books are in care of ▶ PAUL A. BEAUDOIN Telephone number ▶ (401)737-7000

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales 2,129,149. b Less returns and allowances c Balance ▶	1c	2,129,149.		
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3	2,129,149.		2,129,149.
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See page 10 of the instructions; attach schedule.)	12			
13	**Total.** Combine lines 3 through 12	13	2,129,149.		2,129,149.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			14	
15	Salaries and wages			15	582,215.
16	Repairs and maintenance			16	12,420.
17	Bad debts			17	
18	Interest (attach schedule)			18	
19	Taxes and licenses			19	
20	Charitable contributions (See page 13 of the instructions for limitation rules.)			20	
21	Depreciation (attach Form 4562)	21	32,321.	22b	32,321.
22	Less depreciation claimed on Schedule A and elsewhere on return	22a			
23	Depletion			23	
24	Contributions to deferred compensation plans			24	
25	Employee benefit programs			25	189,133.
26	Excess exempt expenses (Schedule I)			26	
27	Excess readership costs (Schedule J)			27	
28	Other deductions (attach schedule) ATTACHMENT 3			28	1,287,437.
29	**Total deductions.** Add lines 14 through 28			29	2,103,526.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30	25,623.
31	Net operating loss deduction (limited to the amount on line 30)			31	25,623.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32	
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)			33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34	

RIDOH 1773

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here ▶ ☐ **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ (2) $ (3) $		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $		
	(2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ▶	35c	0.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: ☐ Tax rate schedule or ☐ Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 16 of the instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	0.
42	Other taxes. Check if from: ☐ Form 4255 ☐ Form 8611 ☐ Form 8697 ☐ Form 8866 ☐ Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	0.
44a	Payments: A 2009 overpayment credited to 2010	44a			
b	2010 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Credit for small employer health insurance premiums (Attach Form 8941)	44f			
g	Other credits and payments: ☐ Form 2439 ☐ Form 4136 ☐ Other Total ▶	44g			
45	**Total payments.** Add lines 44a through 44g			45	
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ ☐			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	0.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	0.
49	Enter the amount of line 48 you want: **Credited to 2011 estimated tax** ▶ **Refunded** ▶			49	0.

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

		Yes	No
1	At any time during the 2010 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ IRELAND, BERMUDA, CAYMAN	X	
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $ 0.		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No X
b	Other costs (attach schedule)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

▶ Signature of officer | Date | ▶ Title

May the IRS discuss this return with the preparer shown below (see instructions)? X Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name: Scott MARIANI	Preparer's signature: Scott Mariani	Date: 8/6/2012	Check ☐ if self-employed: PTIN P00642486
Firm's name ▶ WITHUMSMITH+BROWN, PC			Firm's EIN ▶ 22-2027092
Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497			Phone no. 973-898-9494

RIDOH 1774

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 18)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued		3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	
(1)			
(2)			
(3)			
(4)			
Total		Total	

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) ▶

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

1. Description of debt-financed property	2. Gross income from or allocable to debt-financed property	3. Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5. Average adjusted basis of or allocable to debt-financed property (attach schedule)	6. Column 4 divided by column 5	7. Gross income reportable (column 2 x column 6)	8. Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).
Totals . . . . . ▶					
Total dividends-received deductions included in column 8 . . . . . ▶					

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

1. Name of controlled organization	2. Employer identification number	Exempt Controlled Organizations			
		3. Net unrelated income (loss) (see instructions)	4. Total of specified payments made	5. Part of column 4 that is included in the controlling organization's gross income	6. Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7. Taxable Income	8. Net unrelated income (loss) (see instructions)	9. Total of specified payments made	10. Part of column 9 that is included in the controlling organization's gross income	11. Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).
Totals . . . . . ▶				

RIDOH 1775

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
(1)		%	
(2)		%	
(3)		%	
(4)		%	
Total. Enter here and on page 1, Part II, line 14. ▶			

RIDOH 1776

ATTACHMENT 1

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

OTHER MEDICAL SERVICES INCLUDING ANSWERING SERVICES FOR CERTAIN PHYSICIANS AND LABORATORY REVENUE.

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND HEALTH SYSTEM 05-0490997

ATTACHMENT 3

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

PROGRAM EXPENSE	346,620.
SUPPLIES	397,251.
ADMINISTRATIVE AND GENERAL EXPENSES	431,342.
UTILITIES	35,004.
HOUSEKEEPING	24,435.
MEDICAL RECORDS	49,460.
OTHER EXPENSES	3,325.
PART II - LINE 28 - OTHER DEDUCTIONS	1,287,437.

Kent County Memorial Hospital	
FEID: 05-0258896	
Federal Form 990-T	
For the year ended September 30, 2011	
Page 1, Part I, Line 1a; Gross Receipts or Sales	
Laboratory Revenue	$ 1,958,626
Answering Service	170,523
Line 1a; Gross Receipts or Sales	**$ 2,129,149**

ATTACHMENT 4

Kent County Memorial Hospital				
FEID: 05-0258896				
Federal Form 990-T				
For the year ended September 30, 2011				
Page 1, Part II, Line 31; Net Operating Loss Deduction				
Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	$ 1,451,016	$ (655,771)	$ (25,623)	$ 769,622
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	(23,170)			-
9/30/2009	(434,005)			-
9/30/2010	(198,596)			-
9/30/2011	(25,623)			-
Total	$ 12,334,607			$ 12,334,607
Total Carried Forward to 09/30/2012				$ 12,334,607

ATTACHMENT 5

Kent County Memorial Hospital				
FEID: 05-0258896				
Federal Form 990-T				
For the year ended September 30, 2011				
Form 4626, Line 6 - Net Operating Loss Deduction Carryforward				
Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	$ 1,451,016	$ (590,194)	$ (23,061)	$ 837,761
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	(20,853)			-
9/30/2009	(390,605)			-
9/30/2010	(178,736)			-
9/30/2011	(23,061)			-
Total	$ 12,402,746			$ 12,402,746
Total Carried Forward to 09/30/2012				$ 12,402,746

ATTACHMENT 5A

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0175

2010

Name: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction		1	25,623
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	25,623
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 25,623		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b:		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You **must** enter an amount on line 4d (even if line 4b is positive)*	4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	25,623
6	Alternative tax net operating loss deduction (see instructions) ATTACHMENT 4A		6	23,061
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	2,562
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a:		
b	Multiply line 8a by 25% (.25)	8b:		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	40,000
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	0
10	Multiply line 9 by 20% (.20)		10	0
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	0
12	Tentative minimum tax. Subtract line 11 from line 10		12	0
13	Regular tax liability before applying all credits except the foreign tax credit		13	0
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	NONE

RIDOH 1783

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions (which begin on page 8).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626			1	25,623
2	ACE depreciation adjustment:				
a	AMT depreciation		2a		
b	ACE depreciation:				
	(1) Post-1993 property	2b(1)			
	(2) Post-1989, pre-1994 property	2b(2)			
	(3) Pre-1990 MACRS property	2b(3)			
	(4) Pre-1990 original ACRS property	2b(4)			
	(5) Property described in sections 168(f)(1) through (4)	2b(5)			
	(6) Other property	2b(6)			
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)		2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a			2c	NONE
3	Inclusion in ACE of items included in earnings and profits (E&P):				
a	Tax-exempt interest income		3a		
b	Death benefits from life insurance contracts		3b		
c	All other distributions from life insurance contracts (including surrenders)		3c		
d	Inside buildup of undistributed income in life insurance contracts		3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)		3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e			3f	NONE
4	Disallowance of items not deductible from E&P:				
a	Certain dividends received		4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247		4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)		4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)		4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)		4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e			4f	NONE
5	Other adjustments based on rules for figuring E&P:				
a	Intangible drilling costs		5a		
b	Circulation expenditures		5b		
c	Organizational expenditures		5c		
d	LIFO inventory adjustments		5d		
e	Installment sales		5e		
f	Total other E&P adjustments. Combine lines 5a through 5e			5f	NONE
6	Disallowance of loss on exchange of debt pools			6	NONE
7	Acquisition expenses of life insurance companies for qualified foreign contracts			7	NONE
8	Depletion			8	NONE
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property			9	NONE
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626			10	25,623

JSA
0X2410 2.000

SCHEDULE O (Form 1120)

Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

2011

Name

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Apportionment Plan Information

1 Type of controlled group:

a [ ] Parent-subsidiary group
b [ ] Brother-sister group
c [X] Combined group
d [ ] Life insurance companies only

2 This corporation has been a member of this group:

a [X] For the entire year.
b [ ] From _____, until _____.

3 This corporation consents and represents to:

a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2010, and for all succeeding tax years.
c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:

a [ ] Elected by the component members of the group.
b [ ] Required for the component members of the group.

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).

a [ ] No apportionment plan is in effect and none is being adopted.
b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.

a [X] Yes.
(i) [X] The statute of limitations for this year will expire on 08/15/2014.
(ii) [ ] On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.

b [ ] No. The members may not adopt or amend an apportionment plan.

7 Required information and elections for component members. Check the applicable box(es) (see instructions).

a [ ] The corporation will determine its tax liability by applying the maximum tax rate imposed by section 11 to the entire amount of its taxable income.
b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the additional taxes for the group imposed by section 11(b)(1).
c [ ] The corporation has a short tax year that does not include December 31.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must equal taxable income from Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

	(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket (c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))
1	WOMEN & INFANT HOSPITAL OF RHODE ISLAND	05-0258937	2011-09	NONE	NONE	NONE		NONE
2	BUTLER HOSPITAL	05-0258812	2011-09	25,000	12,500	134,263		171,763
3	KENT COUNTY MEMORIAL HOSPITAL	05-0258896	2011-09	NONE	NONE	NONE		NONE
4								
5								
6								
7								
8								
9								
10								
Total				25,000	12,500	134,263		171,763

RIDOH 1786

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	NONE	NONE	NONE	NONE	NONE		NONE
2 BUTLER HOSPITAL	3,750	3,125	45,649	NONE	NONE		52,524
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	NONE	NONE	NONE	NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total	3,750	3,125	45,649				52,524

RIDOH 1787

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	NONE	NONE	NONE		
2 BUTLER HOSPITAL	NONE	NONE	NONE		
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	40,000	150,000		
4					
5					
6					
7					
8					
9					
10					
Total		40,000	150,000		

RIDOH 1788

Form **8868**
(Rev. January 2011)
Department of the Treasury
Internal Revenue Service

Application for Extension of Time To File an Exempt Organization Return

▶ File a separate application for each return.

OMB No. 1545-1709

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

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

Electronic filing *(e-file)*. You can electronically file Form 8868 if you need a 3-month automatic extension of time to file (6 months for a corporation required to file Form 990-T), or an additional (not automatic) 3-month extension of time. You can electronically file Form 8868 to request an extension of time to file any of the forms listed in Part I or Part II with the exception of Form 8870, Information Return for Transfers Associated With Certain Personal Benefit Contracts, which must be sent to the IRS in paper format (see instructions). For more details on the electronic filing of this form, visit *www.irs.gov/efile* and click on *e-file for Charities & Nonprofits.*

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only . . . . . ▶ ☒

All other corporations (including 1120-C filers), partnerships, REMICs, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Type or print	Name of exempt organization	Employer identification number
File by the due date for filing your return. See instructions.	KENT COUNTY MEMORIAL HOSPITAL	05-0258896
	Number, street, and room or suite no. If a P.O. box, see instructions.	
	455 TOLL GATE ROAD	
	City, town or post office, state, and ZIP code. For a foreign address, see instructions.	
	WARWICK, RI 02886	

Enter the Return code for the return that this application is for (file a separate application for each return) 07

Application Is For	Return Code	Application Is For	Return Code
Form 990	01	Form 990-T (corporation)	07
Form 990-BL	02	Form 1041-A	08
Form 990-EZ	03	Form 4720	09
Form 990-PF	04	Form 5227	10
Form 990-T (sec. 401(a) or 408(a) trust)	05	Form 6069	11
Form 990-T (trust other than above)	06	Form 8870	12

- The books are in the care of ▶ TAXPAYER C/O WITHUMSMITH+BROWN

Telephone No. ▶ 973 898-9494 FAX No. ▶ 973 898-0686

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

1 I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until 08/15, 20 12, to file the exempt organization return for the organization named above. The extension is for the organization's return for:
▶ ☐ calendar year 20____ or
▶ ☒ tax year beginning 10/01, 20 10, and ending 09/30, 20 11.

2 If the tax year entered in line 1 is for less than 12 months, check reason: ☐ Initial return ☐ Final return ☐ Change in accounting period

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

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

RIDOH 1789

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01, **2009, and ending** 09/30, **20** 10

B Check if applicable: Address change; Name change; Initial return; Terminated; Amended return; Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization KENT COUNTY MEMORIAL HOSPITAL

Doing Business As

Number and street (or P O box if mail is not delivered to street address) Room/suite: 455 TOLL GATE ROAD

City or town, state or country, and ZIP + 4: WARWICK, RI 02886

D Employer identification number 05-0258896

E Telephone number (401) 737-8885 EXT 400

G Gross receipts $ 304,414,697.

F Name and address of principal officer: PAUL BEAUDOIN
455 TOLL GATE ROAD WARWICK, RI 02886

H(a) Is this a group return for affiliates? Yes [ ] No [X]

H(b) Are all affiliates included? Yes [ ] No [ ]
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.KENTRI.ORG

K Form of organization: [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation: 1951 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
KENT HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	26
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	21
5	Total number of employees (Part V, line 2a)	5	2,682
6	Total number of volunteers (estimate if necessary)	6	225
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	10,586,592.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	124,142.	1,601,841.
9	Program service revenue (Part VIII, line 2g)	277,151,578.	284,332,533.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-276,995.	1,234,907.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	4,974,334.	4,873,607.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	281,973,059.	292,042,888.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	6,600.	0.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	150,224,698.	152,665,600.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	36,000.	25,500.
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 582,589.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	128,594,124.	136,236,010.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	278,861,422.	288,927,110.
19	Revenue less expenses. Subtract line 18 from line 12	3,111,637.	3,115,778.
Net Assets or Fund Balances		**Beginning of Year**	**End of Year**
20	Total assets (Part X, line 16)	147,011,984.	154,987,186.
21	Total liabilities (Part X, line 26)	87,372,070.	96,268,871.
22	Net assets or fund balances. Subtract line 21 from line 20	59,639,914.	58,718,315.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ — Date — Check if self-employed ▶ [ ] — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG U.S. LLP
75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601

EIN ▶ 34-6565596

Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (see instructions) [ ] Yes [X] No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. * Form **990** (2009)

JSA
9E1010 3 000

RIDOH 1791

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
KENT HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 260,343,537. including grants of $ _____) (Revenue $ 284,332,533.)
ATTACHMENT 2

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services. (Describe in Schedule O.)
(Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4e **Total program service expenses** ▶ 260,343,537.

RIDOH 1792

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If" Yes," complete Schedule D, Part V*	10	X	
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other-securitiesin Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12		X
12 A	Was the organization included in consolidated, independent audited financial statement for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.* (Yes: X / No:)	12A	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E.*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17	X	
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	

RIDOH 1793

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		X
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

RIDOH 1794

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 204		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 2,682		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶ CAYMAN ISLANDS See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

RIDOH 1795

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	26		
b	Enter the number of voting members that are independent	1b	21		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5			X
6	Does the organization have members or stockholders?	6		X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9a			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ JAMES M. BURKE 455 TOLL GATE ROAD WARWICK, RI 02886
401-737-8885

RIDOH 1796

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ALFRED ARCAND MD TRUSTEE	1.00	X						0.	0.	0.
RAYMOND BOLSTER II TRUSTEE & TREASURER	1.00	X						0.	0.	0.
HERBERT BRENNAN DO TRUSTEE	1.00	X						0.	0.	0.
JANICE CAIANIELLO RN TRUSTEE/RN	1.00	X						98,429.	0.	24,964.
THOMAS CELONA TRUSTEE	1.00	X						0.	0.	0.
EDWARD COONEY TRUSTEE	1.00	X						0.	0.	0.
ANDREW ERICKSON CHAIR	5.00	X						0.	0.	0.
JONATHAN FARNUM ASSISTANT TREASURER	1.00	X						0.	0.	0.
THE HONORABLE FRANCIS FLAHERTY TRUSTEE	1.00	X						0.	0.	0.
DUANE GOLOMB MD TRUSTEE/VP MED STAFF	1.00	X						8,500.	0.	0.
MICHAEL GRANDE TRUSTEE	1.00	X						0.	0.	0.
JAMES HAGERTY FINANCE CHAIR	1.00	X						0.	0.	0.
LAURA HILDERLEY RN MS ASSISTANT SECRETARY	1.00	X						0.	0.	0.
ANDREA HOPKINS VICE CHAIR	1.00	X						0.	0.	0.
JAMES HOPKINS TRUSTEE	1.00	X						0.	0.	0.
POLLY LEONARD DO TRUSTEE/DIRECTOR OF MED EDUC	1.00	X						84,063.	0.	0.

RIDOH 1797

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DAVID LOWE MD - PARTIAL YEAR TTEE/PRES MED STF/DIR INF CTRL	1.00	X						103,846.	65,000.	0.
KENNETH MACNAUGHT TRUSTEE	1.00	X						0.	0.	0.
GERALD MCCLURE TRUSTEE	1.00	X						0.	0.	0.
JOSEPH MCGAIR ESQ VICE CHAIR	1.00	X						0.	0.	0.
DANIEL REARDON MD TRUSTEE	1.00	X						0.	0.	0.
STEPHEN ROOKS SECRETARY	1.00	X						0.	0.	0.
GEORGE SHUSTER TRUSTEE	1.00	X						0.	0.	0.
JOSEPH SPINALE DO TRUSTEE/PHYSICIAN	1.00	X						13,879.	0.	0.
JAMES VESEY TRUSTEE	1.00	X						0.	0.	0.
MARIBETH WILLIAMSON TRUSTEE	1.00	X						0.	0.	0.
SANDRA COLETTA PRESIDENT	60.00	X		X				553,197.	0.	49,188.
JOHN HYNES - NON-VOTING CEO - CARE NEW ENGLAND	60.00	X		X				1,282,943.	0.	270,700.
PAUL BEAUDOIN SENIOR VICE PRESIDENT-FINANCE	60.00			X				396,813.	0.	90,251.
1b Total . CONTINUED AT SCHEDULE J-2 . . . . . ▶								6,509,807.	65,000.	1,006,293.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 111

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	3 X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	4 X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*	5	X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 3		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 40

RIDOH 1798

Part VIII Statement of Revenue 05-0258896

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b	83,668.			
	c Fundraising events	1c	11,801.			
	d Related organizations	1d	1,317,821.			
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	188,551.			
	g Noncash contributions included in lines 1a-1f: $ 5,551.					
	h Total. Add lines 1a-1f		1,601,841.			
Program Service Revenue		Business Code				
	2a PATIENT SERVICE REVENUE	621110	273,745,941.	273,745,941.		
	b OTHER SERVICES	621990	10,586,592.		10,586,592.	
	c					
	d					
	e					
	f All other program service revenue					
	g Total. Add lines 2a-2f		284,332,533.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		598,442.			598,442.
	4 Income from investment of tax-exempt bond proceeds		199.			199.
	5 Royalties		0.			
		(i) Real	(ii) Personal			
	6a Gross Rents	297,217.				
	b Less: rental expenses	230,036.				
	c Rental income or (loss)	67,181.				
	d Net rental income or (loss)		67,181.			67,181.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	11,933,678.	370,466.			
	b Less: cost or other basis and sales expenses	11,297,914.	369,964.			
	c Gain or (loss)	635,764.	502.			
	d Net gain or (loss)		636,266.			636,266.
	8a Gross income from fundraising events (not including $ 11,801. of contributions reported on line 1c). See Part IV, line 18 a	81,891.				
	b Less: direct expenses b	40,304.				
	c Net income or (loss) from fundraising events		41,587.			41,587.
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances a	744,222.				
	b Less: cost of goods sold b	433,591.				
	c Net income or (loss) from sales of inventory		310,631.			310,631.
	Miscellaneous Revenue	Business Code				
	11a EMPLOYEE SALES	900003	95,287.			95,287.
	b CAFETERIA	900003	38,750.			38,750.
	c TELEPHONE SALES	900003	28,268.			28,268.
	d All other revenue	900003	4,291,903.			4,291,903.
	e Total. Add lines 11a-11d		4,454,208.			
	12 Total Revenue. See instructions		292,042,888.	273,745,941.	10,586,592.	6,108,514.

RIDOH 1799

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0.			
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0.			
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	5,665,696.		5,665,696.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	110,847,572.	100,577,080.	10,051,174.	219,318.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,981,405.	3,436,846.	537,065.	7,494.
9 Other employee benefits	23,720,425.	20,476,046.	3,199,729.	44,650.
10 Payroll taxes	8,450,502.	7,294,678.	1,139,917.	15,907.
11 Fees for services (non-employees):				
a Management	0.			
b Legal	558,252.		558,252.	
c Accounting	44,785.		44,785.	
d Lobbying	8,035.		8,035.	
e Professional fundraising services. See Part IV, line 17	25,500.			25,500.
f Investment management fees	0.			
g Other	6,047,250.	6,047,250.		
12 Advertising and promotion	446,943.	402,249.	44,694.	
13 Office expenses	35,048,356.	34,697,872.	350,484.	
14 Information technology	8,990,696.	8,091,626.	899,070.	
15 Royalties	0.			
16 Occupancy	4,203,288.	3,782,959.	420,329.	
17 Travel	0.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	203,365.	162,692.	40,673.	
20 Interest	835,367.	835,367.		
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	8,477,767.	7,629,990.	847,777.	
23 Insurance	6,921,390.	5,537,112.	1,384,278.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PROVISION FOR UNCOLLECTIBLES	26,706,478.	26,706,478.		
b LICENSURE FEE	12,041,993.	12,041,993.		
c PURCHASED SERVICES	12,638,639.	11,374,775.	1,263,864.	
d DIETARY SERVICES	1,472,505.	1,472,505.		
e HOUSEKEEPING	699,613.	699,613.		
f All other expenses	10,891,288.	9,076,406.	1,545,162.	269,720.
25 **Total functional expenses.** Add lines 1 through 24f	288,927,110.	260,343,537.	28,000,984.	582,589.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1800

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments		2	5,631,179.
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	33,404,989.	4	33,886,655.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sale or use	3,354,693.	8	3,404,891.
	9	Prepaid expenses and deferred charges	1,020,243.	9	1,049,734.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 203,431,574.			
	b	Less: accumulated depreciation — 10b: 134,049,616.	72,748,542.	10c	69,381,958.
	11	Investments - publicly traded securities	31,035,579.	11	35,500,748.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	5,447,938.	15	6,132,021.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	147,011,984.	16	154,987,186.
Liabilities	17	Accounts payable and accrued expenses	39,588,183.	17	44,304,208.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	47,783,887.	25	51,964,663.
	26	**Total liabilities.** Add lines 17 through 25	87,372,070.	26	96,268,871.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	46,501,136.	27	44,626,563.
	28	Temporarily restricted net assets	2,038,403.	28	2,256,957.
	29	Permanently restricted net assets	11,100,375.	29	11,834,795.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	59,639,914.	33	58,718,315.
	34	Total liabilities and net assets/fund balances	147,011,984.	34	154,987,186.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	**Employer identification number**
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2009

JSA
9E1210 2 000

RIDOH 1803

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)** (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1805

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

RIDOH 1806

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2009

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1 Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

RIDOH 1807

Name of organization KENT COUNTY MEMORIAL HOSPITAL

Employer identification number 05-0258896

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	KENT HOSPITAL FOUNDATION 455 TOLL GATE ROAD WARWICK, RI 02886	$ 1,317,821.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

OMB No. 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If these is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

JSA
9E1265 1 000

RIDOH 1810

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		8,035.
j	Total. Add lines 1c through 1i			8,035.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures (**do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 1811

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY

SCHEDULE C PART II-B, LINE I

THE HOSPITAL PAID $8,035 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE CARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S 2010 ADVOCACY CAN BE VIEWED AT THEIR WEBSITE WWW.AHA.ORG.

RIDOH 1812

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

RIDOH 1813

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, acces sion, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solici t or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	23,976,800.	26,324,947.			
b Contributions		200.			
c Net investment earnings, gains, and losses	2,234,701.	745,348.			
d Grants or scholarships					
e Other expenditures for facilities and programs	279,440.	3,046,599.			
f Administrative expenses	65,513.	47,096.			
g End of year balance	25,866,548.	23,976,800.			

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ 46.0000 %
b Permanent endowment ▶ 54.0000 %
c Term endowment ▶ 0.0000 %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)	X	
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		90,165.		90,165.
b Buildings	1,185,781.	85,988,676.	41,715,801.	45,458,656.
c Leasehold improvements				
d Equipment		111,867,194.	89,754,822.	22,112,372.
e Other		4,299,758.	2,578,993.	1,720,765.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				69,381,958.

RIDOH 1814

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
LONG-TERM BENEFITS PAYABLE	2,396,079.
OTHER LIABILITIES	1,199,676.
CAPITAL LEASES PAYABLE	6,157,127.
ASSET RETIREMENT OBLIGATION	909,734.
PENSION LIABILITY	24,816,162.
DUE TO AFFILIATES	16,485,885.
Total. *(Column (b) must equal Form 990, Part X, col (B) line 25.)* ▶	51,964,663.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1815

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

RIDOH 1816

Part XIV Supplemental Information *(continued)*

ENDOWMENT FUNDS USES

SCH D, PART V, LINE 4

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE PURPOSES INCLUDE GENERAL PURPOSE, HEALTHCARE SERVICES, INDIGENT CARE, HEALTH EDUCATION AND PROPERTY AND EQUIPMENT.

FIN 48/ASC 740

SCH D PART XIV

THE HOSPITAL'S FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE HOSPITAL'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE HOSPITAL COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2010 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE HOSPITAL'S FINANCIAL STATEMENTS.

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 14b line 15, or line 16.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ **Yes** ☐ **No**

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
CENTRAL AMERICA/CARIBBEAN	0	0	PROGRAM SERVICES	FINANCIAL VEHICLE	3,989,046.
Totals ▶	0	0			3,989,046.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule F (Form 990) 2009**

JSA
9E1274 2 000

RIDOH 1818

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ _____

3 Enter total number of other organizations or entities . . . . . ▶ _____

JSA
9E1275 1 000

RIDOH 1819

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Descnption of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV **Supplemental Information**

Complete this part to provide the information required in Part I, line 2, and any additional information.

RIDOH 1821

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047
2009
Open To Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [ ] Mail solicitations
b [ ] Internet and email solicitations
c [ ] Phone solicitations
d [ ] In-person solicitations
e [ ] Solicitation of non-government grants
f [ ] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? [X] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
SEASIDE PHILANTHROPY	GRANT WRITING		X	111,350.	25,500.	85,850.
Total ▶				111,350.	25,500.	85,850.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

RIDOH 1822

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 MARTINI CHALLEN (event type)	(c) Other Events 0 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	63,286.	8,439.		71,725.
	2 Less: Charitable contributions	11,551.	250.		11,801.
	3 Gross income (line 1 minus line 2)	51,735.	8,189.		59,924.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes	6,561.	309.		6,870.
	6 Rent/facility costs	10,710.			10,710.
	7 Food and beverages	8,350.	4,216.		12,566.
	8 Entertainment				
	9 Other direct expenses	1,658.			1,658.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(31,804.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				28,120.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities:			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," explain:			
10 a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," explain:			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

RIDOH 1823

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ▶			
	Address ▶			
15 a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶$ _____.			
c	If "Yes," enter name and address of the third party:			
	Name ▶			
	Address ▶			
16	Gaming manager information:			
	Name ▶			
	Gaming manager compensation ▶$ _____			
	Description of services provided ▶			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Charity Care and Certain Other Community Benefits at Cost

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a	X	
b	If "Yes," is it a written policy?	1b	X	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. [X] Applied uniformly to all hospitals [ ] Applied uniformly to most hospitals [ ] Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	3a	X	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: [ ] 200% [ ] 250% [X] 300% [ ] 350% [ ] 400% [ ] Other _____ %	3b	X	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4	X	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	X	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b	X	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		X
6a	Does the organization prepare an annual community benefit report?	6a		X
b	If "Yes," does the organization make it available to the public?	6b		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			15,253,127.	9,150,651.	6,102,476.	2.33
b Unreimbursed Medicaid (from Worksheet 3, column a)			25,892,347.	24,325,139.	1,567,208.	.60
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			41,145,474.	33,475,790.	7,669,684.	2.93
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)			5,284,748.	3,110,403.	2,174,345.	.83
g Subsidized health services (from Worksheet 6)			15,672,145.	10,639,380.	5,032,765.	1.92
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total.** Other Benefits			20,956,893.	13,749,783.	7,207,110.	2.75
k **Total.** Add lines 7d and 7j			62,102,367.	47,225,573.	14,876,794.	5.68

Part II Community Building Activities Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		X
2	Enter the amount of the organization's bad debt expense (at cost)	2 7,831,686.		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3 0.		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	56,519,532.	
6	Enter Medicare allowable costs of care relating to payments on line 5	6	69,033,005.	
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-12,513,473.	
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	X	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	X	

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 1826

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
KENT HOSPITAL 455 TOLL GATE ROAD WARWICK RI 02886	X	X		X			X		
BAYSIDE FAMILY HEALTH CARE 308 CALLAHAN ROAD NORTH KINGSTOWN RI 02852									PHYSICIAN & LAB
KENT HOSPITAL OUTPATIENT LAB 227 CENTERVILLE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1087 WARWICK AVE WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 166 TOLL GATE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 190 COMMERCE DRIVE WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1079 MAIN STREET WEST WARWICK RI 02983									LAB
KENT HOSPITAL OUTPATIENT LAB 1405 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									LAB
KENT HOSPITAL OUTPATIENT LAB 905 PONTIAC AVENUE CRANSTON RI 02920									LAB
KENT HOSPITAL OUTPATIENT LAB 215 TOLL GATE ROAD WARWICK RI 02886									LAB
DR. SANTORO OFFICE 1681 CRANSTON STREET CRANSTON RI 02920									PHYSICIAN PRACTICE
DR. REEDER OFFICE (+ OP THERAPY) 1351 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									PHYSICIAN PRACTICE & THERAPY
KENT HOSPITAL OUTPATIENT LAB 750 RESERVOIR AVENUE CRANSTON RI 02910									LAB
KENT HOSPITAL OUTPATIENT LAB 1620 NOOSENECK HILL ROAD COVENTRY RI 02816									LAB
KENT HOSPITAL OUTPATIENT LAB 390 TOLL GATE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1051 TEN ROD ROAD NORTH KINGSTOWN RI 02852									LAB

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
KENT HOSPITAL OUTPATIENT LAB 250 CENTERVILLE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 982 TIOGUE AVE COVENTRY RI 02816									LAB

RIDOH 1828

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

IF APPLICABLE, DESCRIBE THE INCOME-BASED CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.

N/A - KENT COUNTY MEMORIAL HOSPITAL USES THE FPG TO DETERMINE ELIGIBILITY FOR FREE CARE.

PART I, LINE 6A:

N/A

PART I, LINE 7G:

IF APPLICABLE, DESCRIBE WHETHER THE ORGANIZATION INCLUDED AS SUBSIDIZED HEALTH SERVICES ANY COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC, AND REPORT SUCH COSTS THE ORGANIZATION INCLUDED.

KENT COUNTY MEMORIAL HOSPITAL INCLUDED SHORTFALLS FROM DIRECT PROGRAMS COSTS AND ALLOCATED OVERHEAD, LESS ANY REIMBURSEMENT FOR ITS PSYCHIATRIC AND HOSPITALISTS SERVICES. KENT COUNTY MEMORIAL HOSPITAL DID NOT INCLUDE ANY COST ATTRIBUTABLE TO A PHYSICIAN CLINIC.

PART I, LINE 7, COLUMN F:

RIDOH 1829

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

IF APPLICABLE, ENTER THE BAD DEBT EXPENSE INCLUDED ON FORM 990, IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN.

$26,706,478

PART I, LINE 7:

PROVIDE AN EXPLANATION OF THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE.

WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7. THE SOURCE OF WORKSHEET 2 WAS THE MEDICARE COST REPORT FOR FY 2010, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, I.E., REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A-8-2, REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE), ALLOWING THE FULL PENSION EXPENSE, ETC.

RIDOH 1830

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

THE ORGANIZATION'S FINANCIAL STATEMENTS DO NOT INCLUDE A BAD DEBT EXPENSE FOOTNOTE.

LINE 4 - (A) PROVIDE THE RATIONALE AND THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINES 2 AND 3.

SAME AS ANSWER ABOVE FOR PART 1, LINE 7 ABOVE.

LINE 4 - (B) DESCRIBE HOW THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSES.

WHILE A PATIENT'S INDIVIDUAL FINANCIAL CIRCUMSTANCES MAY RESULT IN SOME OR ALL OF THE SERVICES RENDERED BEING CHARGED OFF AS FREE SERVICE, ANY REMAINING BALANCE WHICH THE HOSPITAL DETERMINES THE PATIENT IS CAPABLE OF PAYING IS DUE IN FULL.

A COMMUNITY BENEFIT DISCOUNT IS OFFERED FOR UNINSURED PATIENTS, AS WELL AS PROMPT PAY OR ADVANCE PAY DISCOUNTS.

ALL PAYMENT RECEIVED ARE APPLIED TO PATIENT'S ACCOUNTS.

THE ACCOUNT BECOMES BAD DEBT WHEN ALL EFFORTS TO COLLECT HAVE BEEN EXHAUSTED. THE HOSPITAL USES ANY AND ALL ACTIONS THAT ARE AVAILABLE

RIDOH 1831

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

TO THEM UNDER STATE AND FEDERAL REGULATIONS TO COLLECT THE AMOUNTS OWED BY THE PATIENTS. THIS MIGHT INCLUDE, BUT NOT BE LIMITED TO, THE USE OF OUTSIDE COLLECTION AGENCIES AND COLLECTION ATTORNEYS.

THE TOTAL BAD DEBT EXPENSE FOR FY 2010 WAS DETERMINED PER GAAP ALLOWANCE METHOD WHEREIN AN ESTIMATE IS MADE FOR BAD DEBT EXPENSE BY WAY OF A PROVISION FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLES (ALLOWANCE FOR DOUBTFUL ACCOUNTS) BASED ON HISTORIC COLLECTION EXPERIENCE.

LINE 4 - (C) DESCRIBE THE METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.

SUFFICIENT INFORMATION IS NOT AVAILABLE TO MAKE THIS DETERMINATION. HOWEVER, IT IS LIKELY THAT A SIGNIFICANT PORTION OF OUR BAD DEBT WOULD QUALIFY FOR CHARITY CARE.

LINE 4 - (D) DESCRIBE THE RATIONALE, IF ANY, FOR INCLUDING ANY PORTION OF BAD DEBT AS COMMUNITY BENEFIT.

N/A

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

LINE 8 -(A) DESCRIBE THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATIONS' MEDICARE COST REPORT, AS REFLECTED IN THE AMOUNT REPORTED IN PART III, LINE 6. THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED FY 2010 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED COSTS, WHICH ARE INCLUDED IN PART 1, LINE 7(F). WORKSHEET D-1, LINE 49, DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME FROM WORKSHEET E, PART B.

LINE 8 - (B) DESCRIBE, IF APPLICABLE, THE EXTENT TO WHICH ANY SHORTFALL REPORTED IN PART III, LINE 7, SHOULD BE TREATED AS A COMMUNITY BENEFIT, AND THE RATIONALE FOR THE ORGANIZATION'S POSITION.

KENT COUNTY MEMORIAL HOSPITAL IS A TAX-EXEMPT, CHARITABLE ORGANIZATION WHICH LOOKS TO SERVE THEIR VARIOUS PATIENT POPULATIONS AND IMPROVE THEIR HEALTH STATUS. THE HOSPITAL PROVIDES ESSENTIAL SERVICES TO THEIR PATIENTS REGARDLESS OF THE PATIENT'S ABILITY TO PAY OR THEIR PARTICULAR HEALTH CARE COVERAGE. THE MEDICARE PATIENTS IN OUR COMMUNITY DEPEND ON THE HOSPITAL TO SERVE THEIR MEDICAL NEEDS

RIDOH 1833

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REGARDLESS OF WHETHER THE MEDICARE PROGRAM COVERS THE COST OF PROVIDING SUCH SERVICE. SINCE KENT COUNTY MEMORIAL HOSPITAL CONSTANTLY WORKS TO OPERATE AS COST EFFICIENT AS POSSIBLE, WE FEEL STRONGLY THAT THE MEDICARE SHORTFALL SHOULD BE INCLUDED AS A COMMUNITY BENEFIT.

PART III, LINE 9B:

IF THE ORGANIZATION HAS A WRITTEN BAD DEBT COLLECTION POLICY AND ANSWERED "YES" TO PART III, LINE 9B, DESCRIBE THE COLLECTION PRACTICES SET FORTH IN THE POLICY THAT APPLY TO PATIENTS WHO IT KNOWS QUALIFY FOR FINANCIAL ASSISTANCE, WHETHER OR NOT SUCH PRACTICES APPLY SPECIFICALLY TO SUCH PATIENTS OR MORE BROADLY TO ALSO COVER OTHER TYPES OF PATIENTS.

KENT COUNTY MEMORIAL HOSPITAL DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR EXTREME HARDSHIPS.

RIDOH 1834

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART V, SUPPLEMENTAL FACILITY INFORMATION:

N/A

NEEDS ASSESSMENT:

PART VI, LINE 2: NEEDS ASSESSMENT. DESCRIBE HOW THE ORGANIZATION ASSESSES THE HEALTH CARE NEEDS OF THE COMMUNITY IT SERVES.

KENT HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY. THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES AND WILL BE UPDATING THAT WITH NEW STATEWIDE GUIDELINES DUE OUT LATER THIS YEAR.

OBJECTIVE 2: OVERWEIGHT AND OBESITY

OBJECTIVE 3: TOBACCO USE

OBJECTIVE 9: IMMUNIZATION

OBJECTIVE 10: ACCESS TO HEALTH CARE

RIDOH 1835

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTHY PEOPLE 2010 TEN LEADING HEALTH INDICATORS:

OBJECTIVE 1: PHYSICAL ACTIVITY

OBJECTIVE 2: OVERWEIGHT AND OBESITY

OBJECTIVE 3: TOBACCO USE

OBJECTIVE 4: SUBSTANCE ABUSE

OBJECTIVE 5: RESPONSIBLE SEXUAL BEHAVIOR

OBJECTIVE 6: MENTAL HEALTH

OBJECTIVE 7: INJURY AND VIOLENCE

OBJECTIVE 8: ENVIRONMENTAL QUALITY

OBJECTIVE 9: IMMUNIZATION

OBJECTIVE 10: ACCESS TO HEALTH CARE

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

PART VI, LINE 3: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE.

DESCRIBE HOW THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND

PERSONS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY

FOR ASSISTANCE UNDER FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS OR

UNDER THE ORGANIZATION'S CHARITY CARE POLICY.

RIDOH 1836

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. IT IS ALSO PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON OUR WEB SITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY OUR PATIENT POPULATION 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). UNINSURED AND UNDERINSURED PATIENTS ARE COUNSELED AT THE POINT OF SERVICE OR DURING THE BILLING PROCESS ABOUT ANY FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY BE ELIGIBLE FOR, AND ASSISTANCE WITH APPLICATIONS IS ALSO PROVIDED.

RIDOH 1837

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY INFORMATION:

PART VI, LINE 4: COMMUNITY INFORMATION. DESCRIBE THE COMMUNITY THE ORGANIZATION SERVES, TAKING INTO ACCOUNT THE GEOGRAPHIC AND DEMOGRAPHIC CONSTITUENTS IT SERVES.

KENT HOSPITAL SERVES APPROXIMATELY 300,000 PEOPLE ACROSS CENTRAL AND SOUTHERN RHODE ISLAND. THIS INCLUDES AN IMMEDIATE POPULATION OF APPROXIMATELY 167,000 IN ITS PRIMARY SERVICE AREA OF KENT COUNTY - WARWICK, COVENTRY, EAST GREENWICH, WEST GREENWICH AND WEST WARWICK WITH THE REMAINDER COMING FROM OTHER NEARBY COMMUNITIES CONSIDERED TO BE OUR SECONDARY SERVICE AREA. THE SERVICE REGION CONSISTS OF 15.3% OF THE POPULATION OVER THE AGE OF 65, 20.7% OF THE POPULATION UNDER THE AGE OF 18, 8.5% OF THE POPULATION IS OF A MINORITY RACIAL BACKGROUND, ALMOST A 50/50 SPLIT BETWEEN GENDERS, 41.7% OF THE POPULATION HAVE A HIGH SCHOOL DIPLOMA OR LESS. THE AVERAGE INCOME OF THE SERVICE AREA IS SLIGHTLY BELOW $78,000.

OTHER INFORMATION:

PART VI, LINE 6: PROVIDE ANY OTHER INFORMATION IMPORTANT TO

RIDOH 1838

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DESCRIBING HOW THE ORGANIZATION'S HOSPITALS OR OTHER HEALTH CARE FACILITIES FURTHER ITS EXEMPT PURPOSE BY PROMOTING THE HEALTH OF THE COMMUNITY (E.G., OPEN MEDICAL STAFF, COMMUNITY BOARD, USE OF SURPLUS FUNDS, ETC.)

KENT HOSPITAL IS TRULY A COMMUNITY-BASED HOSPITAL. AS THE SECOND LARGEST HOSPITAL IN THE STATE, KENT IS CURRENTLY CELEBRATING 60 YEARS OF SERVICE TO OUR COMMUNITY AND THE STATE. OUR MEDICAL STAFF IS COMPRISED OF APPROXIMATELY 600 PHYSICIANS AND IS AN OPEN MEDICAL STAFF. OUR BOARD OF TRUSTEES IS A COMMUNITY BOARD COMPRISED OF COMMUNITY LEADERS, BUSINESSMEN AND WOMEN AND OTHER RESIDENTS. IN ADDITION, KENT HAS AN EXTENSIVE MEMBERSHIP OF INCORPORATORS, ALL OF WHOM REPRESENT THE HOSPITAL AND ITS MISSION STATEWIDE.

PROGRAMS ALIGNED WITH HEALTHY PEOPLE 2010

OBJECTIVE 2: OVERWEIGHT AND OBESITY

OBJECTIVE 3: TOBACCO USE

OBJECTIVE 9: IMMUNIZATION

OBJECTIVE 10: ACCESS TO HEALTH CARE

RIDOH 1839

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

UNCOMPENSATED CARE

KENT HOSPITAL PROVIDES UNCOMPENSATED CARE TO PEOPLE IN THE COMMUNITY IN NEED OF A WIDE SPECTRUM OF HEALTH CARE.

COMMUNITY PARTNERSHIPS

THE HOSPITAL IS ENGAGED WITH THE FOLLOWING ORGANIZATIONS IN A VARIETY OF WAYS INCLUDING SUPPORTING COMMUNITY EDUCATION AND AWARENESS PROGRAMS, PROVIDING MEETING AND CONFERENCE AND OFFICE SPACE, AND PARTICIPATION ON VARIOUS BOARDS AND COMMITTEES WORKING TO IMPROVE THE HEALTH OF THE COMMUNITY.

ALCOHOLICS ANONYMOUS

ALZHEIMER'S ASSOCIATION OF AMERICA

AMERICAN CANCER SOCIETY

AMERICAN HEART ASSOCIATION/ STROKE ASSOCIATION

AMERICAN PARKINSON'S DISEASE ASSOCIATION

CHAMBERS OF COMMERCE MEMBERSHIPS

DEPARTMENT OF HEALTH

RIDOH 1840

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DEPARTMENT OF CHILDREN, YOUTH AND FAMILIES (DCYF)

FOOD FOUR PAWS PROGRAM

GLORIA GEMMA BREAST CANCER FOUNDATION

LEUKEMIA AND LYMPHOMA SOCIETY

MARCH OF DIMES

MS SOCIETY

OVEREATERS ANONYMOUS

RHODE ISLAND BLOOD CENTER

WARWICK MENTORING PROGRAM

RHODE ISLAND PARENTING INFORMATION NETWORK

RECOVERY ROOM - NURSING SUPPORT GROUP

NATIONAL ASSOCIATION OF SOCIAL WORKERS

RHODE ISLAND COUNCIL ON ALCOHOLISM AND OTHER DRUG ADDICTION

RHODE ISLAND STATE NURSES ASSOCIATION

UNITED WAY

RESEARCH AND ACADEMIC EDUCATION

AS A TEACHING FACILITY, KENT HOSPITAL PROVIDES GRADUATE MEDICAL OSTEOPATHIC EDUCATION PROGRAMS IN INTERNAL MEDICINE, FAMILY MEDICINE

RIDOH 1841

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AND EMERGENCY MEDICINE. IN ADDITION, KENT HAS IMPLEMENTED A NEW FELLOWSHIP PROGRAM IN HYPERBARIC MEDICINE. AS A MAJOR TEACHING AFFILIATE OF THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE (UNECOM) IN MAINE, KENT WILL GRADUATE ITS FIRST CLASS THIS SUMMER. IN ADDITION TO THE RESIDENCY, KENT HOSTS MEDICAL STUDENT ROTATIONS FROM UNECOM.

PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS

KENT HOSPITAL IS COMMITTED TO ONGOING PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS. CERTAINLY, THERE IS CONSIDERABLE DEPTH OF OFFERING FOR ALL CLINICAL STAFF TO MAINTAIN THEIR CME NEEDS. OPPORTUNITIES FOR PHYSICIANS, NURSES AND OUTSIDE PROFESSIONAL STAFF EXIST ON A CONTINUOUS BASIS WITH LECTURES, SEMINARS, TUTORIALS AND MUCH MORE.

PUBLIC EDUCATION IS ALSO PROVIDED IN MANY AREAS. WHETHER PROVIDING FREE BREAST AND SKIN CANCER SCREENINGS, SUPPORT GROUPS FOR CANCER SURVIVORS AND OTHER POPULATIONS, KENT'S STAFF AND COMMUNITY-BASED COLLEAGUES COLLABORATE TO PROVIDE OUR REGION WITH ACCESS TO IMPORTANT

RIDOH 1842

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PROGRAMS AND SERVICES THAT WILL EDUCATE ON IMPROVED HEALTHY LIFESTYLES, HEALTH MANAGEMENT AND WELLNESS PRACTICES. HAVING JUST OPENED THE BREAST HEALTH CENTER AT KENT - A UNIQUE COLLABORATION BETWEEN KENT AND WOMEN & INFANTS HOSPITAL, THIS FACILITY PROVIDES THE BEST POSSIBLE ACCESS TO HEALTHCARE FOR WOMEN IN OUR SERVICE AREA WITHOUT HAVING TO DRIVE TO PROVIDENCE OR EVEN BOSTON. FURTHER, WE SERVE AS A SURVIVORSHIP SPONSOR FOR BOTH THE AMERICAN CANCER SOCIETY'S RELAY FOR LIFE OF WARWICK AND THE MAKING STRIDES AGAINST BREAST CANCER WALK, WHICH SEES MORE THAN 13,000 PARTICIPANTS EACH YEAR.

KENT IS PROUD OF ITS NUTRITION AND OBESITY EFFORTS AS WELL. THROUGH THE KENT KIDS CHOOSE TO BE HEALTHY PROGRAM, DIETARY/NUTRITION STAFF HAVE EMBARKED ON A PILOT PROGRAM WITH WARWICK-BASED SCHOOLS TO BRING THE MESSAGE OF HEALTHY EATING, MAKING GOOD NUTRITION DECISIONS AND MAKING IT FUN TO OUR LOCAL STUDENTS, TEACHERS AND FAMILIES.

WE ARE PROUD TO PARTNER WITH EXTERNAL ORGANIZATIONS TO OFFER MEETING SPACE FOR COMMUNITY MEETINGS, SUPPORT MEETINGS, AND OTHER EDUCATIONAL

RIDOH 1843

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OPPORTUNITIES AS OUTLINED THROUGHOUT.

SUPPORT GROUPS

IN ADDITION TO PROVIDING MEETING SPACE TO MANY SUBSTANCE ABUSE SUPPORT GROUPS IN THE COMMUNITY, THE HOSPITAL PROVIDES THE FOLLOWING FREE SUPPORT GROUPS:

BREAST CANCER SURVIVORS SUPPORT GROUP

ALCOHOLICS ANONYMOUS

OVEREATERS ANONYMOUS

SURGICAL WEIGHT LOSS SUPPORT GROUP

INTERPRETER SERVICES

EMPLOYEES AND VOLUNTEERS OF THE HOSPITAL WHO ARE SKILLED IN LANGUAGES OTHER THAN ENGLISH ARE CALLED UPON TO PROVIDE INTERPRETER SERVICES FOR PATIENTS AND THEIR SIGNIFICANT OTHERS. THIS SERVICE IS PROVIDED BY THE HOSPITAL FREE OF CHARGE. WHEN INTERPRETERS ARE NOT AVAILABLE WITHIN THE HOSPITAL, KENT HOSPITAL PROVIDES THESE SERVICES THROUGH THE AT&T LANGUAGE LINE SERVICE, ALSO FREE TO THE COMMUNITY.

RIDOH 1844

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SURPLUS FUNDS FOR KENT COUNTY MEMORIAL HOSPITAL ARE REINVESTED AND USED IN CARRYING OUT THE MISSION OF PATIENT CARE (AND RESEARCH IF APPLICABLE).

PART VI, LINE 7: IF THE ORGANIZATION IS PART OF AN AFFILIATED HEALTH CARE SYSTEM, DESCRIBE THE RESPECTIVE ROLES OF THE ORGANIZATION AND ITS AFFILIATES IN PROMOTING THE HEALTH OF THE COMMUNITIES SERVED.

THE MISSION OF THE CARE NEW ENGLAND HEALTH SYSTEM IS TO CONTINUALLY IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES OF SOUTHEASTERN NEW ENGLAND. COMPRISED OF THREE HOSPITALS - BUTLER, KENT AND WOMEN & INFANTS - AS WELL AS THE VNA OF CARE NEW ENGLAND, THE DISTINCTIVE PROGRAMS, STAFF AND TALENTS OF EACH MEMBER COMBINE TO ENSURE A HIGH-QUALITY CONTINUUM OF CARE FOR THE COMMUNITIES SERVED.

WITH A PRIMARY FOCUS ON PATIENTS AND THEIR FAMILIES, CARE NEW ENGLAND PROVIDES A SOLID, DIVERSE COMBINATION OF PHYSICIAN SPECIALISTS AND GENERALISTS WHO ARE COMMITTED TO THE MISSION OF BUILDING A BETTER

RIDOH 1845

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

SYSTEM OF HEALTH CARE. TO DO THIS, THE SYSTEM AIMS TO ATTAIN THE HIGHEST STANDARDS OF QUALITY; PROVIDE ACCESS TO ESSENTIAL HEALTH SERVICES REGARDLESS OF ABILITY TO PAY; DELIVER AN EXCEPTIONAL PATIENT EXPERIENCE; ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH AND TEACHING; ADVOCATE FOR THOSE PATIENTS SERVED; ENHANCE WELLNESS AND PREVENTION; AND OPERATE IN A COST-EFFECTIVE AND FINANCIALLY VIABLE MANNER.

MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM INCLUDE:

BUTLER HOSPITAL - RHODE ISLAND'S ONLY PRIVATE, NONPROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN AND SENIORS.

KENT HOSPITAL - A GENERAL MEDICINE HOSPITAL PROVIDING A FULL SPECTRUM OF PRIMARY AND SECONDARY ACUTE CARE SERVICES WITH A MEDICAL STAFF REPRESENTING MORE THAN 30 SPECIALTIES.

WOMEN & INFANTS HOSPITAL - THE NATION'S SEVENTH BUSIEST OBSTETRICAL FACILITY, OPERATING THE NATION'S LARGEST SINGLE-FAMILY ROOM NEONATAL

RIDOH 1846

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INTENSIVE CARE UNIT AND THE AREA'S ONLY TERTIARY LEVEL NEONATAL FACILITY, AND PROVIDING SUCH SPECIALIZED SERVICES AS ONCOLOGY, UROGYNECOLOGY AND INFERTILITY TREATMENT.

VNA OF CARE NEW ENGLAND - A UNIQUE SERVICE PROVIDING A BROAD SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING CARE FOR NEW MOTHERS, THE ELDERLY AND THE TERMINALLY ILL. AS STATED IN THE MISSION FOR VNA OF CARE NEW ENGLAND, THE VNA IS DEDICATED TO PROVIDING QUALITY HEALTH CARE AND DEVELOPING PROGRAMS AND RESOURCES TO BENEFIT THE COMMUNITY. THESE COMMUNITY BENEFITS ARE NOT REPORTED IN THIS HOSPITAL'S RETURN, AND VNA IS NOT A HOSPITAL AND THEREFORE NEVER GETS ONTO A SCHEDULE H.

PART VI, LINE 8: IF APPLICABLE, IDENTIFY ALL STATES WITH WHICH THE ORGANIZATION, OR A RELATED ORGANIZATION, FILES A COMMUNITY BENEFIT REPORT.

N/A

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☐ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:			
a	Receive a severance payment or change-of-control payment?	4a	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	9		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
DAVID LOWE MD - PARTIAL Y	(i)	103,846.	0.	0.	0.	0.	103,846.	0.
	(ii)	65,000.	0.	0.	0.	0.	65,000.	0.
PAUL BEAUDOIN	(i)	268,629.	88,923.	39,261.	79,649.	10,602.	487,064.	18,098.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES BURKE	(i)	154,497.	41,625.	25,591.	16,047.	10,317.	248,077.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JEAN BUTLER	(i)	139,986.	35,389.	16,510.	15,236.	375.	207,496.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DAVID CAMPBELL	(i)	158,605.	44,819.	29,402.	58,767.	8,599.	300,192.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SANDRA COLETTA	(i)	374,325.	124,000.	54,872.	47,625.	1,563.	602,385.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
MICHAEL DACEY MD	(i)	227,626.	0.	60,036.	37,373.	6,261.	331,296.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOSEPH DIPIETRO	(i)	254,122.	108,023.	40,740.	100,236.	10,578.	513,699.	43,251.
	(ii)	0.	0.	0.	0.	0.	0.	0.
FRAN FALSEY	(i)	149,216.	34,787.	500.	8,853.	6,955.	200,311.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOHN HYNES - NON-VOTING	(i)	750,269.	438,583.	94,091.	259,940.	10,760.	1,553,643.	163,583.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PAUL MCKENNEY MD	(i)	230,423.	51,232.	36,542.	21,548.	6,691.	346,436.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
HELEN REED	(i)	238,102.	61,112.	44,313.	74,406.	1,190.	419,123.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
OMPRAKASH KOTHARI MD	(i)	337,190.	7,088.	58,553.	58,953.	906.	462,690.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ROBERT DINWOODIE DO	(i)	283,173.	5,782.	32,984.	21,744.	733.	344,416.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
KENNETH PHILLIPS MD	(i)	238,212.	0.	59,643.	19,351.	8,361.	325,567.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
IMENDE SUTHERLAND MD	(i)	239,306.	5,200.	26,000.	19,065.	6,268.	295,839.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

RIDOH 1849

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

1) BASED ON CALENDAR YEAR 2009 FORMS W-2 AND 1099 DATA.

2) DEFERRED COMPENSATION IS SUBJECT TO FORFEITURE BY THE INDIVIDUAL BASED ON THE PROVISIONS OF THE PLAN.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, QUESTION 1A

PAYMENTS MADE ON BEHALF OF CARE NEW ENGLAND CEO TO LUNCHEON CLUB FOR MEMBERSHIP DUES AND BUSINESS RELATED EXPENSES IN ACCORDANCE WITH EMPLOYMENT CONTRACT.

SEVERANCE PAYMENT OR CHANGE OF CONTROL PAYMENT

SCHEDULE J, PART I, QUESTION 4A

PAYMENTS OF $106,673 WERE MADE TO MARYANN GLYNN DURING 2009 AS PART OF SEVERANCE ARRANGEMENT ASSOCIATED WITH HER TERMINATION AS VICE PRESIDENT OF PATIENT CARE SERVICES. MARYANN GLYNN WAS INCLUDED IN PART VII SECTION A AS A FORMER OFFICER OF THE HOSPITAL.

RIDOH 1850

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS

SCHEDULE J, PART I, QUESTION 4B

THE FOLLOWING INDIVIDUAL PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE TOTAL 2009 CONTRIBUTION TO THE NONQUALIFIED PLAN IS REPORTED BELOW AND IS ALSO REPORTED AS OTHER REPORTABLE COMPENSATION IN THE INDIVIDUAL'S 2009 COMPENSATION AS SHOWN IN SCHEDULE J, PART II.

SERP SPLIT DOLLAR LIFE INSURANCE:

JOHN HYNES $17,101

COMP. FOR INDIVIDUALS IS EARNED BASED ON BOTH S-T & L-T INCENTIVE PROGRAMS

SCHEDULE J, QUESTIONS 6A & 6B

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS:

O QUALITY

O FINANCIAL

RIDOH 1851

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

O PATIENT SATISFACTION

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS:

O NET INCOME FROM OPERATIONS

O MARKET SHARE

O PATIENT SATISFACTION

O STRATEGIC OBJECTIVE

RIDOH 1852

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information for Schedule J (Form 990), Part II.
▶ See Instructions for Schedule J (Form 990).

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	223,825.	0.	39,096.	16,477.	14,681.	294,079.	0.
CLIFF FIELDS DO	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)	2,223.	0.	120,489.	2,022.	3,079.	127,813.	0.
MARYANN GLYNN	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-1 (Form 990) 2009

JSA

9E1293 1 000

RIDOH 1853

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the Organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MSC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JAMES BURKE VICE PRESIDENT - FINANCE	60.00			X				221,713.	0.	26,364.
JEAN BUTLER VP - PATIENT CARE SERVICES	60.00			X				191,885.	0.	15,611.
DAVID CAMPBELL SENIOR VP - HUMAN RESOURCES	60.00			X				232,826.	0.	67,366.
MICHAEL DACEY MD SENIOR VP - MEDICAL AFFAIRS	60.00			X				287,662.	0.	43,634.
JOSEPH DIPIETRO SENIOR VICE PRESIDENT	60.00			X				402,885.	0.	110,814.
FRAN FALSEY VP - PATIENT CARE SERVICES	60.00			X				184,503.	0.	15,808.
RENE FISCHER SENIOR VP-PATIENT CARE SERVICE	60.00			X				102,050.	0.	16,118.
PAUL MCKENNEY MD ASSOCIATE MEDICAL DIRECTOR	60.00			X				318,197.	0.	28,239.
HELEN REED VICE PRESIDENT-REVENUE CYCLE	60.00			X				343,527.	0.	75,596.
RICHARD RENEHAN EXEC DIR-AFFINITY PHYSICIANS	60.00			X				0.	0.	0.
JOHN ISAAC MD PRESIDENT-AFFINITY PHYSICIANS	60.00			X				4,125.	0.	0.
OMPRAKASH KOTHARI MD MEDICAL DIRECTOR - LABORATORY	60.00					X		402,831.	0.	59,859.
ROBERT DINWOODIE DO MEDICAL DIRECTOR-EMERGENCY RM	60.00					X		321,939.	0.	22,477.
KENNETH PHILLIPS MD PHYSICIAN - INTENSIVIST	60.00					X		297,855.	0.	27,712.
IMENDE SUTHERLAND MD MEDICAL DIRECTOR-REHAB UNIT	60.00					X		270,506.	0.	25,333.
CLIFF FIELDS DO MED DIR-EMERGENCY RESIDENCY	60.00					X		262,921.	0.	31,158.
MARYANN GLYNN FORMER VP-PATIENT CARE SERVICE							X	122,712.	0.	5,101.

RIDOH 1854

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Excess Benefit Transacations(section 501(c)(3) and section 501(c)(4) organizations only).
Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
NANCY HAGERTY	WIFE OF J. HAGERTY BD MEM	58,392.	EMPLOYMENT AT KENT HOSPITAL		X

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2009

JSA
9E1297 2 000
4IV0M1 F227

RIDOH 1855

SCHEDULE O (Form 990)	Supplemental Information to Form 990	OMB No 1545-0047
Department of the Treasury Internal Revenue Service	Complete to provide information for responses to specific questions on Form 990 or to provide any additional information. ▶ Attach to Form 990.	2009 Open to Public Inspection

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1

DESCRIPTION OF RELATIONSHIPS

FORM 990, PART VI, QUESTION 2

ANDREA HOPKINS AND JAMES HOPKINS - FAMILY RELATIONSHIP - IN-LAWS

JONATHAN FARNUM AND GEORGE SHUSTER - BUSINESS RELATIONSHIP

- CRANSTON PRINT WORKS

JONATHAN FARNUM, RAYMOND BOLSTER & JAMES HOPKINS - BUSINESS RELATIONSHIP

- CENTERVILLE BANK

ANDREW ERICKSON AND MARIBETH WILLIAMSON - BUSINESS RELATIONSHIP

- AMICA INSURANCE

DELEGATE CONTROL OVER MANAGEMENT DUTIES

FORM 990, PART VI, QUESTION 3

THE HOSPITAL ENGAGES SODEXO HEALTH CARE TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO SODEXO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

THE HOSPITAL ENGAGED REHABCARE GROUP, INC. TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO REHABCARE IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS INPATIENT AND OUTPATIENT REHABILITATION DEPARTMENTS. THE REHABCARE MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT

RIDOH 1856

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

CORPORATE GOVERNANCE

FORM 990, PART VI, QUESTION 6

CARE NEW ENGLAND HAS CORPORATE GOVERNANCE OVER KENT HOSPITAL AND IS THE SOLE CORPORATE MEMBER.

ARTICLE II OF KENT HOSPITAL BYLAWS, BOARD OF TRUSTEES

FORM 990, PART VI, QUESTION 7A

SECTION 1. COMPOSITION AND ELECTION OF BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EX OFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY THE INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL INCLUDE ONE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS AND THE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE CORPORATE MEMBER AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THEIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASS TO

RIDOH 1857

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

ARTICLE II OF KENT HOSPITAL BYLAWS, RIGHTS OF CORPORATE MEMBER

FORM 990, PART VI, QUESTION 7B

SECTION 2.01. RESERVED POWERS. NOTWITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OF THE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

RIDOH 1858

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR PLEDGES BY OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

RIDOH 1859

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

FORM 990 REVIEW PROCESS

FORM 990, PART VI, QUESTION 11A

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE VICE PRESIDENT OF FINANCE AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R) IS PRESENTED BY THE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, QUESTION 12C

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVES A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE

RIDOH 1860

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A & 15B

DETERMINATION OF COMPENSATION FOR CEO, EXECUTIVE DIRECTOR, TOP MANAGEMENT, OFFICERS AND KEY EMPLOYEES

THE BOARD OF TRUSTEES OF KENT HOSPITAL (KENT) HAS A COMMITTEE OF TRUSTEES KNOWN AS THE EXECUTIVE COMMITTEE ("THE COMMITTEE"). THIS COMMITTEE SERVES AS THE COMPENSATION COMMITTEE FOR THE HOSPITAL. THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR KENT EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS

THE COMMITTEE WILL BE COMPRISED OF MEMBERS OF THE BOARD OF TRUSTEES, ALL OF WHOM SHALL BE AN OUTSIDER. THE KENT PRESIDENT & CEO ('THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE KENT PRESIDENT & CEO.

RIDOH 1861

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

OUTSIDE ADVISORS

THE COMMITTEE SHALL HAVE THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNCEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING THE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBILITY

THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958 (INTERMEDIATE SANCTION). SPECIFICALLY, THE COMMITTEE IS ACCOUNTABLE AND ULTIMATELY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

- ESTABLISH AND OVERSEE KENT EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.
- IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.
- ANNUALLY REVIEW AND APPROVE KENT GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; RECOMMEND BASE SALARY; AND THE ANNUAL INCENTIVE AWARD BASED ON KENT AND INDIVIUAL PERFORMANCE.
- ANNUALLY REVIEW THE CEO'S COMPENSATION RECOMMENDATIONS FOR KENT EXECUTIVE POSITIONS REPORTING TO THE CEO.
- PERIODICALLY REVIEW AND APPROVE OTHER IMPORTANT COMPENSATION ELEMENTS FOR THE CEO AND OTHER EXECUTIVES INCLUDING EMPLOYMENT CONTRACT

RIDOH 1862

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

AND TERM, PERQUISITES, RETIREMENT PROGRAMS, AND THE LIKE.

- REVIEW AND APPROVE OBJECTIVS AND GOALS FOR NEW AND CHANGES TO EXISTING COMPENSATION PLANS.

- REVIEW THIS CHARTER PERIODICALLY TO ENSURE IT IS IN COMPLIANCE WITH ALL REGULATIONS, AND RECOMMEND APPROPRIATE CHANGES TO THE BOARD.

MINUTES/DOCUMENTATION

THE COMMITTEE KEEPS WRITTEN MINUTES AND OTHER RELEVANT RECORDS OF EACH MEETING. THE MINUTES ARE SUBJECT TO APPROVAL BY THE COMMITTEE MEMBERS AND, ONCE APPROVED, WILL BE MAINTAINED WITH THE RECORDS OF KENT.

CARE NEW ENGLAND HEALTH SYSTEM (CNE) EMPLOYEES ARE SUBJECT TO REVIEW BY THE BOARD OF DIRECTORS OF CNE. CNE HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES FOR THE TOTAL COMPENSATION PROGRAM FOR CNE EXECUTIVES.

YEAR IN WHICH PROCESS WAS LAST UNDERTAKEN - ANNUALLY.

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

KENT HOSPITAL'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

NET ASSETS

FORM 990, PART X

A RECLASSIFICATION IN PRIOR YEAR NET ASSETS IN PART X HAS BEEN MADE TO

RIDOH 1863

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

CONFORM TO THE CURRENT YEAR PRESENTATION OF TEMPORARY RESTRICTED NET ASSETS.

FINANCIAL STATEMENTS

FORM 990, PART XI

KENT COUNTY MEMORIAL HOSPITAL'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT, AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CARE NEW ENGLAND AUDIT COMMITTEE.

HOURS WORKED FOR RELATED ORGANIZATION

FORM 990, PART VII, SECTION A

JOHN HYNES SPLITS HIS TIME OF 60 HOURS PER WEEK BETWEEN KENT COUNTY MEMORIAL HOSPITAL, CARE NEW ENGLAND HEALTH SYSTEMS, AND KENT HOSPITAL FOUNDATION. PAUL BEAUDOIN SPENDS PART OF HIS 60 HOUR WEEK AS ASSISTANT TREASURER OF KENT HOSPITAL FOUNDATION. SANDRA COLETTA AND MICHAEL DACEY SPEND PART OF THEIR 60 HOUR WEEK AS A TRUSTEE OF KENT HOSPITAL FOUNDATION.

THE FOLLOWING TRUSTEES ARE ALSO TRUSTEES OR DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM AND/OR KENT HOSPITAL FOUNDATION: JANICE CAIANIELLO, THOMAS CELONA, EDWARD COONEY, ANDREW ERICKSON, JONATHAN FARNUM, LAURA HILDERLEY, ANDREA HOPKINS, JAMES HOPKINS, KENNETH MACNAUGHT, GERALD MCCLURE, GEORGE SHUSTER, JAMES VESEY, MARIBETH WILLIAMSON. PART OF THEIR TOTAL TIME OF 1 TO 5 HOURS IS SPENT IN SCHOOL CAPACITIES WITH THE RELATED ENTITIES.

RIDOH 1864

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 1 (CONT'D)

FUNDRAISING EXPENSES

SCHEDULE B

CONTRIBUTIONS RELATED TO FUNDRAISING EXPENSES REPORTED ON THE RETURN ARE RECORDED ON THE KENT HOSPITAL FOUNDATION RETURN (EIN: 05-0514640).

DISTINGUISHING PYMTS FOR PROF. FUNDRAISING SVCS FROM EXP PYMT OR REIMB

SCHEDULE G, PART I, COL V

SEASIDE PHILANTHROPY IS AN ARRANGEMENT WHERE WE CONTRACT WITH AN INDIVIDUAL TO DO GRANT WRITING AT $100/HOUR.

ATTACHMENT 2

4A PROGRAM SERVICE

KENT HOSPITAL IS A 359 BED FACILITY WHICH PROVIDES A WIDE RANGE OF SERVICES FOR THE ACUTE CARE OF PATIENTS (INCLUDING LOW-INCOME AND INDIGENT INDIVIDUALS), INCLUDING MEDICAL AND SURGICAL, OBSTETRICAL, CANCER, PEDIATRIC, PSYCHIATRIC, AND CARDIAC INTENSIVE CARE SERVICES. THE HOSPITAL IS ACCREDITED BY THE JOINT COMMISSION (TJC), COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF), AND PARTICIPATES AS A PROVIDER IN MEDICARE, BLUE CROSS, MEDICAID, AND OTHER INSURANCE PROGRAMS. THE HOSPITAL IS ALSO A MEMBER OF VOLUNTARY HOSPITALS OF AMERICA, INC. (VHA). KENT CURRENTLY OPERATES AMERICAN OSTEOPATHIC ASSOCIATION APPROVED RESIDENCY PROGRAMS IN EMERGENCY MEDICINE AND FAMILY PRACTICE, AND HAS BEEN APPROVED TO ESTABLISH AN INTERNAL MEDICINE RESIDENCY PROGRAM AND A FELLOWSHIP PROGRAM IN HYPERBARIC MEDICINE BEGINNING IN 2011. KENT IS AFFILIATED WITH, AND PROVIDES CLINICAL TRAINING

RIDOH 1865

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 2 (CONT'D)

TO, THE STUDENTS OF THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE. THE HOSPITAL WORKS CLOSELY WITH OTHER HOSPITALS, HEALTH CLINICS, SENIOR CENTERS, AND HEALTH AGENCIES TO COORDINATE PROGRAMS FOR THE COMMUNITY. AS THE SECOND LARGEST HOSPITAL IN RHODE ISLAND, KENT HOSPITAL PROVIDES A FULL COMPLEMENT OF INPATIENT SERVICES, INCLUDING: CARDIOLOGY AND EXTENDED CORONARY CARE, INFECTION DISEASE, PRIMARY CARE, ONCOLOGY, ORTHOPEDICS, OBSTETRICS AND GYNECOLOGY, PEDIATRICS, REHABILITATION AND SURGERY. IN ADDITION, THE HOSPITAL OFFERS A COMPREHENSIVE RANGE OF OUTPATIENT SERVICES INCLUDING CARDIAC CATHERIZATION, CHEMOTHERAPY, DIAGNOSTIC IMAGING, SURGERY, AND REHABILITATION SERVICES. KENT ALSO OPERATES A WOMEN'S DIAGNOSTIC IMAGING CENTER, WOUND RECOVERY CENTER, AND PROVIDES LABORATORY, AND PRIMARY CARE SERVICES AT VARIOUS SITES THROUGHOUT THE COMMUNITY. A BROAD RANGE OF EDUCATION CLASSES AND SUPPORT GROUPS ARE OFFERED AT KENT. KENT'S EMERGENCY DEPARTMENT, OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, IS STAFFED BY BOARD-CERTIFIED PHYSICIANS AND CERTIFIED EMERGENCY NURSES. THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES. THE LEVEL OF CHARITY CARE PROVIDED DURING THE YEAR ENDED SEPTEMBER 30, 2010: $11,281,000 OF REVENUES FORGONE, BASED ON ESTABLISHED RATES AND $3,647,000 OF ESTIMATED COSTS AND EXPENSES INCURRED TO PROVIDE CHARITY CARE. THE HOSPITAL ALSO PROVIDES SERVICES TO OTHER INDIGENT PATIENTS UNDER THE MEDICAID/RITE CARE PROGRAM, WHICH REIMBURSES HEALTHCARE PROVIDERS AT AMOUNTS WHICH ARE LESS THAN THE COST OF SERVICES PROVIDED TO

RIDOH 1866

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FORM 990, PART III - PROGRAM SERVICES

ATTACHMENT 2 (CONT'D)

RECIPIENTS. THE HOSPITAL PROVIDES SERVICES OF $26,706,000 FOR UNCOLLECTIBLE PATIENT ACCOUNTS DURING THE YEAR ENDED SEPTEMBER 30, 2010. THE HOSPITAL PROVIDES NUMEROUS OTHER SERVICES FREE OF CHARGE TO THE COMMUNITY FOR WHICH CHARGES ARE NOT GENERATED AND REVENUES HAVE NOT BEEN ACCOUNTED FOR IN THE FINANCIAL STATEMENTS. THESE SERVICES INCLUDE INTERPRETATION OF MEDICAL INFORMATION INTO VARIOUS LANGUAGES, PHYSICIAN REFERRAL SERVICES, HEALTH CARE SCREENING, COMMUNITY SUPPORT GROUPS, HEALTH EDUCATIONAL PROGRAMS, PHYSICIAN SERVICES, GENERAL COMMUNITY BENEFIT SERVICES SUCH AS DISASTER RELIEF, AND SUPPORT OF OTHER NOT-FOR-PROFIT AGENCIES.

ATTACHMENT 3

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
KEN JONES CONSTRUCTION, INC 50 HARRY L. ANDREWS ROAD WEST GREENWICH, RI 02817	CONSTRUCTION	1,563,527.
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LAUNDRY SERVICES	1,102,945.
MAYO MEDICAL LABORATORIES PO BOX 4100 ROCHESTER, MN 55903	REFERENCE LAB SVCS	735,757.
XRA MEDICAL IMAGING 6725 POST ROAD NORTH KINGSTOWN, RI 02852	RADIOLOGY SERVICES	645,363.
O'GRADY PEYTON INTERNATIONAL 4 MALL COURT, SUITE A SAVANNAH, GA 31406	HEALTH CARE SERVICES	579,628.

RIDOH 1867

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ATTACHMENT 3 (CONT'D)

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
TOTAL COMPENSATION		4,627,220.

RIDOH 1868

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
KENT ANCILLIARY SERVICES, INC. 56-2420959 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTH CARE	RI	2,963,456.	0.	KCMH
AFFINITY PHYSICIANS, LLC 27-2557996 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTH CARE	RI	0.	0.	KCMH

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITING NURS	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
TOLL GATE INDEMNITY, LTD 34-2028514 455 TOLL GATE ROAD WARWICK, RI 02886	FINANCIAL VEHICLE	CJ	KCMH	C CORP	6,360,277.	29,075,481.	100.0000
W&I INDEMNITY, LTD 98-0159342 300 RICHMOND STREET PROVIDENCE, RI 02903	FINANCIAL VEHICLE	CJ	N/A	C CORP			

RIDOH 1870

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		X
b	Gift, grant, or capital contribution to other organization(s)	1b		X
c	Gift, grant, or capital contribution from other organization(s)	1c		X
d	Loans or loan guarantees to or for other organization(s)	1d		X
e	Loans or loan guarantees by other organization(s)	1e		X
f	Sale of assets to other organization(s)	1f		X
g	Purchase of assets from other organization(s)	1g		X
h	Exchange of assets	1h		X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n	Sharing of paid employees	1n	X	
o	Reimbursement paid to other organization for expenses	1o	X	
p	Reimbursement paid by other organization for expenses	1p	X	
q	Other transfer of cash or property to other organization(s)	1q		X
r	Other transfer of cash or property from other organization(s)	1r	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved
(1)	BUTLER HOSPITAL	N	-807,801.
(2)	BUTLER HOSPITAL	O	-9,159,372.
(3)	BUTLER HOSPITAL	P	153,403.
(4)	VNA OF CARE NEW ENGLAND	N	1,461,071.
(5)	VNA OF CARE NEW ENGLAND	O	-151,373.
(6)	VNA OF CARE NEW ENGLAND	P	469,275.

RIDOH 1871

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 1872

SCHEDULE R-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

OMB No. 1545-0047

2009

Open to Public Inspection

Name of filing organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

RIDOH 1873

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC

RIDOH 1874

Part III **Continuation of Identification of Related Organizations Taxable as a Partnership**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514.)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner? Yes	(j) No

RIDOH 1875

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

RIDOH 1876

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

	(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7)	WOMEN & INFANTS HOSPITAL	N	-266,284.
(8)	WOMEN & INFANTS HOSPITAL	O	-390,728.
(9)	WOMEN & INFANTS HOSPITAL	P	583,026.
(10)	KENT HOSPITAL FOUNDATION	R	1,317,821.
(11)			
(12)			
(13)			
(14)			
(15)			
(16)			
(17)			
(18)			
(19)			
(20)			
(21)			
(22)			
(23)			
(24)			

RIDOH 1877

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount on Box 20 of K-1	(h) General or managing partner? Yes	(h) No

RIDOH 1878

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Instructions for filing
KENT COUNTY MEMORIAL HOSPITAL
Form 990T - Exempt Organization Business Return
for the period ended September 30, 2010

****

Signature...
The original return should be signed (using full name and title) and dated on page 2 by an authorized officer of the organization.

Filing...
The signed return should be filed on or before August 15, 2011 with...

Department of the Treasury
Internal Revenue Service Center
Ogden, UT 84201-0027

Payment of tax...
No payment of tax is required.

****

Form **990-T**
Department of the Treasury
Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2009 or other tax year beginning 10/01, 2009, and ending 09/30, 20 10. ▶ See separate instructions.

OMB No 1545-0687

2009

Open to Public Inspection for 501(c)(3) Organizations Only

A ☐ Check box if address changed

B Exempt under section
☒ 501(C)(3)
☐ 408(e) ☐ 220(e)
☐ 408A ☐ 530(a)
☐ 529(a)

C Book value of all assets at end of year
154,987,186.

Print or Type

Name of organization (☐ Check box if name changed and see instructions.)
KENT COUNTY MEMORIAL HOSPITAL

Number, street, and room or suite no. If a P O. box, see page 8 of instructions.
455 TOLL GATE ROAD

City or town, state, and ZIP code
WARWICK, RI 02886

D Employer identification number (Employees' trust, see instructions for Block D on page 9)
05-0258896

E Unrelated business activity codes (See instructions for Block E on page 9.)
812900

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ ☒ 501(c) corporation ☐ 501(c) trust ☐ 401(a) trust ☐ Other trust

H Describe the organization's primary unrelated business activity. ▶ ATTACHMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ ☒ Yes ☐ No
If "Yes," enter the name and identifying number of the parent corporation ▶ ATTACHMENT 2

J The books are in care of ▶ JAMES M. BURKE Telephone number ▶ 401-737-8885

Part I Unrelated Trade or Business Income

			(A) Income	(B) Expenses	(C) Net
1a	Gross receipts or sales 10,586,592. b Less returns and allowances 8,230,997. c Balance ▶	1c	2,355,595.	ATCH 2A	
2	Cost of goods sold (Schedule A, line 7)	2			
3	Gross profit. Subtract line 2 from line 1c	3	2,355,595.		2,355,595.
4a	Capital gain net income (attach Schedule D)	4a			
b	Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c	Capital loss deduction for trusts	4c			
5	Income (loss) from partnerships and S corporations (attach statement)	5			
6	Rent income (Schedule C)	6			
7	Unrelated debt-financed income (Schedule E)	7			
8	Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9	Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10	Exploited exempt activity income (Schedule I)	10			
11	Advertising income (Schedule J)	11			
12	Other income (See page 10 of the instructions; attach schedule.)	12			
13	**Total.** Combine lines 3 through 12	13	2,355,595.		2,355,595.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.)
(Except for contributions, deductions must be directly connected with the unrelated business income.)

14	Compensation of officers, directors, and trustees (Schedule K)			14	
15	Salaries and wages			15	650,390.
16	Repairs and maintenance			16	12,842.
17	Bad debts			17	
18	Interest (attach schedule)			18	
19	Taxes and licenses			19	
20	Charitable contributions (See page 13 of the instructions for limitation rules)			20	
21	Depreciation (attach Form 4562)	21	33,452.	22b	33,452.
22	Less depreciation claimed on Schedule A and elsewhere on return	22a			
23	Depletion			23	
24	Contributions to deferred compensation plans			24	
25	Employee benefit programs			25	204,041.
26	Excess exempt expenses (Schedule I)			26	
27	Excess readership costs (Schedule J)			27	
28	Other deductions (attach schedule) ATTACHMENT 3			28	1,256,274.
29	**Total deductions.** Add lines 14 through 28			29	2,156,999.
30	Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13			30	198,596.
31	Net operating loss deduction (limited to the amount on line 30) ATTACHMENT 4			31	198,596.
32	Unrelated business taxable income before specific deduction. Subtract line 31 from line 30			32	
33	Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)			33	1,000.
34	**Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32			34	0.

RIDOH 1881

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and:		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) $ 0. (2) $ 0. (3) $ 0.		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750) $		
	(2) Additional 3% tax (not more than $100,000) $		
c	Income tax on the amount on line 34 ▶	35c	0.
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	0.
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	0.

Part IV Tax and Payments

40 a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 16 of the instructions)	40b			
c	General business credit. Attach Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	0.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	0.
44 a	Payments. A 2008 overpayment credited to 2009	44a			
b	2009 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Other credits and payments. [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44f			
45	**Total payments.** Add lines 44a through 44f			45	0.
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ [ ]			46	
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	0.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	0.
49	Enter the amount of line 48 you want: **Credited to 2010 estimated tax** ▶ **Refunded** ▶			49	0.

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 17)

		Yes	No
1	At any time during the 2009 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ IRELAND, BERMUDA, CAYMAN I	X	
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4 a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	No X
b	Other costs (attach schedule)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

Signature of officer | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed [ ]	Preparer's SSN or PTIN P00233523
Firm's name (or yours if self-employed), address, and ZIP code ▶ ERNST & YOUNG U.S. LLP 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601		EIN 34-6565596	Phone no. 864-242-5740

Form **990-T** (2009)

JSA

9E1620 1 000

RIDOH 1882

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 18)

1. Description of property

(1)
(2)
(3)
(4)

	2. Rent received or accrued	
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	**(b)** From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)	**3(a)** Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)
(1)			
(2)			
(3)			
(4)			
Total		Total	

(c) Total income Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶

(b) Total deductions. Enter here and on page 1, Part I, line 6, column (B) ▶

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

	1. Description of debt-financed property	**2.** Gross income from or allocable to debt-financed property	**3.** Deductions directly connected with or allocable to debt-financed property	
			(a) Straight line depreciation (attach schedule)	**(b)** Other deductions (attach schedule)
(1)				
(2)				
(3)				
(4)				

	4. Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	**5.** Average adjusted basis of or allocable to debt-financed property (attach schedule)	**6.** Column 4 divided by column 5	**7.** Gross income reportable (column 2 x column 6)	**8.** Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)			%		
(2)			%		
(3)			%		
(4)			%		
				Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).

Totals . . . . . ▶

Total dividends-received deductions included in column 8 . . . . . ▶

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

	1. Name of controlled organization	**2.** Employer identification number	Exempt Controlled Organizations			
			3. Net unrelated income (loss) (see instructions)	**4.** Total of specified payments made	**5.** Part of column 4 that is included in the controlling organization's gross income	**6.** Deductions directly connected with income in column 5
(1)						
(2)						
(3)						
(4)						

Nonexempt Controlled Organizations

	7. Taxable Income	**8.** Net unrelated income (loss) (see instructions)	**9.** Total of specified payments made	**10.** Part of column 9 that is included in the controlling organization's gross income	**11.** Deductions directly connected with income in column 10
(1)					
(2)					
(3)					
(4)					
				Add columns 5 and 10 Enter here and on page 1, Part I, line 8, column (A)	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B)

Totals . . . . . ▶

RIDOH 1883

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 20)

1. Description of income	2. Amount of income	3. Deductions directly connected (attach schedule)	4. Set-asides (attach schedule)	5. Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1. Description of exploited activity	2. Gross unrelated business income from trade or business	3. Expenses directly connected with production of unrelated business income	4. Net income (loss) from unrelated trade or business (column 2 minus column 3) If a gain, compute cols. 5 through 7.	5. Gross income from activity that is not unrelated business income	6. Expenses attributable to column 5	7. Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1. Name of periodical	2. Gross advertising income	3. Direct advertising costs	4. Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7	5. Circulation income	6. Readership costs	7. Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 21)

1. Name	2. Title	3. Percent of time devoted to business	4. Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

RIDOH 1884

ATTACHMENT 1

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

OTHER MEDICAL SERVICES INCLUDING ANSWERING SERVICES AND NON-PATIENT LABORATORY TESTING.

ATTACHMENT 2

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND HEALTH SYSTEM 05-0490997

RIDOH 1886

KENT COUNTY MEMORIAL HOSPITAL 05-0258896
YEAR ENDED SEPTEMBER 30, 2010

FORM 990-T - PART I, LINE 1c - Net Receipts or Sales

Laboratory Services	2,184,167
Answering Services	171,428
	2,355,595

ATTACHMENT 2A

ATTACHMENT 3

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

SUPPLIES	422,902.
PURCHASED SERVICES	347,590.
UTILITIES	35,290.
ADMINISTRATIVE & GENERAL	365,122.
HOUSEKEEPING	25,003.
MEDICAL RECORDS	56,929.
OTHER	3,438.
PART II - LINE 28 - OTHER DEDUCTIONS	1,256,274.

RIDOH 1888

KENT COUNTY MEMORIAL HOSPITAL
YEAR ENDED SEPTEMBER 30, 2010

05-0258896

FORM 990-T - PART II, LINE 31 - NET OPERATING LOSS DEDUCTION CARRYFORWARD

Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	1,451,016	457,175	198,596	795,245
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	-23,170			-
9/30/2009	-434,005			-
9/30/2010	-198,596			
TOTAL	12,360,230			12,360,230
TOTAL CARRIED FORWARD TO 9/30/11				12,360,230

ATTACHMENT 4

KENT COUNTY MEMORIAL HOSPITAL
YEAR ENDED SEPTEMBER 30, 2010

05-0258896

FORM 4626, LINE 6 - NET OPERATING LOSS DEDUCTION CARRYFORWARD

Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	1,451,016	-411,458	-178,736	860,822
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	-20,853			
9/30/2009	-390605			
9/30/2010	-178,736			
TOTAL	12,425,807			12,425,807

TOTAL CARRIED FORWARD TO 9/30/11	12,425,807

ATTACHMENT 4A

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2009

Attachment Sequence No. **67**

Name(s) shown on return

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

Business or activity to which this form relates

GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation Subtract line 3 from line 2 If zero or less, enter -0-	4	
5	Dollar limitation for tax year Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	

6	(a) Description of property	(b) Cost (business use only)	(c) Elected cost

7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2008 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2010. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	33,452.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2009	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2009 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs		S/L	
h	Residential rental property			27.5 yrs.	MM	S/L	
				27.5 yrs.	MM	S/L	
i	Nonresidential real property			39 yrs.	MM	S/L	
					MM	S/L	

Section C - Assets Placed in Service During 2009 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21 Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instructions	22	33,452.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

RIDOH 1891

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? Yes [X] No 24b If "Yes," is the evidence written? Yes [X] No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person. If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI **Amortization**

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2009 tax year (see instructions):					
43 Amortization of costs that began before your 2009 tax year				43	
44 **Total.** Add amounts in column (f). See the instructions for where to report				44	

RIDOH 1892

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0175

2009

Name

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Alternative Minimum Tax Computation

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction		1	198,596.00
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	198,596.00
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 198,596.00		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b:		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You **must** enter an amount on line 4d (even if line 4b is positive)*	4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	198,596.00
6	Alternative tax net operating loss deduction (see instructions) ATTACHMENT 4A		6	178,736.00
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	19,860.00
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a:		
b	Multiply line 8a by 25% (.25)	8b:		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	40,000.00
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	0
10	If the corporation had qualified timber gain, complete Part II and enter the amount from line 24 here. Otherwise, multiply line 9 by 20% (.20)		10	0
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	0.00
12	Tentative minimum tax. Subtract line 11 from line 10		12	0
13	Regular tax liability before applying all credits except the foreign tax credit		13	0.00
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	NONE

RIDOH 1893

Part II **Alternative Tax for Corporations with Qualified Timber Gain.** *Complete Part II* **only** *if the corporation had qualified timber gain under section 1201(b). See instructions.*

15	Enter qualified timber gain from Schedule D (Form 1120), line 15, as refigured for the AMT, if necessary. If you are filing Form 1120-RIC, see instructions for the amount to enter	**15**	
16	Enter the amount from Schedule D (Form 1120), line 13, as refigured for the AMT, if necessary	**16**	
17	Enter the amount from Part I, line 9	**17**	
18	Enter the **smallest** of the amount on line 15, line 16, or line 17	**18**	
19	Multiply line 18 by 15% (.15)	**19**	
20	Subtract line 18 from line 17	**20**	
21	Multiply line 20 by 20% (.20)	**21**	
22	Enter the total of line 19 and line 21	**22**	
23	Multiply line 17 by 20% (.20)	**23**	
24	Enter the **smaller** of line 22 or line 23 here and on part I, line 10	**24**	

RIDOH 1894

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions (which begin on page 8).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626			1	198,596.00
2	ACE depreciation adjustment:				
a	AMT depreciation		2a		
b	ACE depreciation:				
	(1) Post-1993 property	2b(1)			
	(2) Post-1989, pre-1994 property	2b(2)			
	(3) Pre-1990 MACRS property	2b(3)			
	(4) Pre-1990 original ACRS property	2b(4)			
	(5) Property described in sections 168(f)(1) through (4)	2b(5)			
	(6) Other property	2b(6)			
	(7) Total ACE depreciation. Add lines 2b(1) through 2b(6)		2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a			2c	NONE
3	Inclusion in ACE of items included in earnings and profits (E&P):				
a	Tax-exempt interest income		3a		
b	Death benefits from life insurance contracts		3b		
c	All other distributions from life insurance contracts (including surrenders)		3c		
d	Inside buildup of undistributed income in life insurance contracts		3d		
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)		3e		
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e			3f	NONE
4	Disallowance of items not deductible from E&P:				
a	Certain dividends received		4a		
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247		4b		
c	Dividends paid to an ESOP that are deductible under section 404(k)		4c		
d	Nonpatronage dividends that are paid and deductible under section 1382(c)		4d		
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)		4e		
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e			4f	NONE
5	Other adjustments based on rules for figuring E&P:				
a	Intangible drilling costs		5a		
b	Circulation expenditures		5b		
c	Organizational expenditures		5c		
d	LIFO inventory adjustments		5d		
e	Installment sales		5e		
f	Total other E&P adjustments. Combine lines 5a through 5e			5f	NONE
6	Disallowance of loss on exchange of debt pools			6	0.00
7	Acquisition expenses of life insurance companies for qualified foreign contracts			7	0.00
8	Depletion			8	0.00
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property			9	0.00
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626			10	198,596.00

RIDOH 1895

SCHEDULE O (Form 1120)
(Rev December 2009)
Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

Part I Apportionment Plan Information

1 Type of controlled group:
- a [ ] Parent-subsidiary group
- b [ ] Brother-sister group
- c [X] Combined group
- d [ ] Life insurance companies only

2 This corporation has been a member of this group:
- a [X] For the entire year.
- b [ ] From _____, until _____.

3 This corporation consents and represents to:
- a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2009, and for all succeeding tax years.
- c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you checked box 3c or 3d above, check the applicable box below to indicate if the termination of the current apportionment plan was:
- a [ ] Voluntary
- b [ ] Involuntary

5 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- a [ ] No apportionment plan is in effect and none is being adopted.
- b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

6 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- a [X] Yes.
  - (i) [X] The statute of limitation for this year will expire on 08/15/2013.
  - (ii) [ ] On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b [ ] No. The members may not adopt or amend an apportionment plan.

7 Required information and elections under section 1561. Check the applicable box(es) (see instructions).
- a [ ] The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
- b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.
- c [ ] The corporation has a short tax year that does not include December 31.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket				
			(c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) **Total** (add columns (c) through (f))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	05-0258937	2010-09	25,000	12,500	2,331,654		2,369,154
2 BUTLER HOSPITAL	05-0258812	2010-09	25,000	12,500	165,857		203,357
3 KENT COUNTY MEMORIAL HOSPITAL	05-0258896	2010-09	0	0	0		0
4							
5							
6							
7							
8							
9							
10							
Total			50,000	25,000	2,497,511		2,572,511

RIDOH 1897

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	3,750	3,125	792,762		6,582		806,219
2 BUTLER HOSPITAL	3,750	3,125	56,391		5,168		68,434
3 KENT COUNTY MEMORIAL HOSPITAL	0	0	0	0	0		NONE
4							
5							
6							
7							
8							
9							
10							
Total	7,500	6,250	849,153		11,750		874,653

RIDOH 1898

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 WOMEN & INFANT HOSPITAL OF RHODE ISLAND	0	0	0		
2 BUTLER HOSPITAL	0	0	0		
3 KENT COUNTY MEMORIAL HOSPITAL	0	40,000	150,000		
4					
5					
6					
7					
8					
9					
10					
Total		40,000	150,000		

RIDOH 1899

Form **5471**
(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ **See separate instructions.**

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 10/01/2009 , and ending 09/30/2010

OMB No. 1545-0704

Attachment Sequence No **121**

Name of person filing this return
KENT COUNTY MEMORIAL HOSPITAL

A Identifying number
05-0258896

Number, street, and room or suite no. (or P.O box number if mail is not delivered to street address)
455 TOLL GATE ROAD

B Category of filer (See instructions. Check applicable box(es)):
1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒

City or town, state, and ZIP code
WARWICK RI 02886

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.000%

Filer's tax year beginning 10/01/2009 , and ending 09/30/2010

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information* ***must*** *be in English. All amounts* ***must*** *be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
TOLL GATE INDEMNITY, LTD.
P.O. BOX 1051
GRAND CAYMAN, CJ

b Employer identification number, if any
34-2028514

c Country under whose laws incorporated
CAYMAN ISLANDS

d Date of incorporation	**e** Principal place of business	**f** Principal business activity code number	**g** Principal business activity	**h** Functional currency
03/25/2004	CJ	524290	INSURANCE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	(ii) U.S. income tax paid (after all credits)
0.	0.

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
MARSH MANAGEMENT
P.O. BOX 1051
GRAND CAYMAN CJ

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
SAME

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	(ii) End of annual accounting period
COMMON	120,000	120,000

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder Note: *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
KENT COUNTY MEMORIAL HOSPITAL 455 TOLL GATE ROAD WARWICK RI 02886 05-0258896	COMMON	120,000	120,000	100.00000

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

				Functional Currency	U.S. Dollars
Income	1 a	Gross receipts or sales	1a		5,249,813.
	b	Returns and allowances	1b		
	c	Subtract line 1b from line 1a	1c		5,249,813.
	2	Cost of goods sold	2		
	3	Gross profit (subtract line 2 from line 1c)	3		5,249,813.
	4	Dividends	4		
	5	Interest	5		
	6 a	Gross rents	6a		
	b	Gross royalties and license fees	6b		
	7	Net gain or (loss) on sale of capital assets	7		
	8	Other income (attach schedule) ATTACHMENT 1	8		2,171,587.
	9	Total income (add lines 3 through 8)	9		7,421,400.
Deductions	10	Compensation not deducted elsewhere	10		
	11 a	Rents	11a		
	b	Royalties and license fees	11b		
	12	Interest	12		
	13	Depreciation not deducted elsewhere	13		
	14	Depletion	14		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16	Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) ATTACHMENT 2	16		6,549,793.
	17	Total deductions (add lines 10 through 16)	17		6,549,793.
Net Income	18	Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		871,607.
	19	Extraordinary items and prior period adjustments (see instructions)	19		
	20	Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21	Current year net income or (loss) per books (combine lines 18 through 20)	21		871,607.

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S			0.
2	CAYMAN ISLAND	0.	1.0000	0.
3				
4				
5				
6				
7				
8	Total ▶			0.

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1	1,800,443.	3,921,281.
2a	Trade notes and accounts receivable	2a		
b	Less allowance for bad debts	2b	( )	( )
3	Inventories	3		
4	Other current assets (attach schedule) ATTACHMENT 3	4	1,942,363.	2,253,435.
5	Loans to shareholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule) ATTACHMENT 4	7	22,131,333.	22,900,765.
8a	Buildings and other depreciable assets	8a		
b	Less accumulated depreciation	8b	( )	( )
9a	Depletable assets	9a		
b	Less accumulated depletion	9b	( )	( )
10	Land (net of any amortization)	10		
11	Intangible assets:			
a	Goodwill	11a		
b	Organization costs	11b		
c	Patents, trademarks, and other intangible assets	11c		
d	Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12	Other assets (attach schedule)	12		
13	Total assets	13	25,874,139.	29,075,481.
	Liabilities and Shareholders' Equity			
14	Accounts payable	14	221,566.	276,005.
15	Other current liabilities (attach schedule) ATTACHMENT 5	15	1,132,807.	6,116,860.
16	Loans from shareholders and other related persons	16		
17	Other liabilities (attach schedule) ATTACHMENT 6	17	19,801,095.	17,092,337.
18	Capital stock:			
a	Preferred stock	18a		
b	Common stock	18b	120,000.	120,000.
19	Paid-in or capital surplus (attach reconciliation) ATTACHMENT 7	19	2,440,580.	2,440,580.
20	Retained earnings	20	2,158,091.	3,029,699.
21	Less cost of treasury stock	21	( )	( )
22	Total liabilities and shareholders' equity	22	25,874,139.	29,075,481.

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership?		X
	If "Yes," see the instructions for required attachment.		
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)?		X
	If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X

Schedule H Current Earnings and Profits (see instructions)

Important: *Enter the amounts on lines 1 through 5c in* ***functional*** *currency.*

		Net Additions	Net Subtractions		
1	Current year net income or (loss) per foreign books of account			1	871,607.
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):				
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach schedule) ATCH 8	5,629,904.	6,310,936.		
3	Total net additions	5,629,904.			
4	Total net subtractions		6,310,936.		
5 a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	190,575.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	190,575.
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))			5d	190,575.

Enter exchange rate used for line 5d ▶ 1.0000

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	190,575.
2	Earnings invested in U S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return See instructions	6	190,575.
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

SCHEDULE J (Form 5471)
(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ **Attach to Form 5471. See Instructions for Form 5471.**

OMB No. 1545-0704

Name of person filing Form 5471

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

Name of foreign corporation

TOLL GATE INDEMNITY, LTD.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	*(ii)* Earnings Invested in Excess Passive Assets	*(iii)* Subpart F Income	
1 Balance at beginning of year	-1,661,983.				3,918,260.	2,256,277.
2a Current year E&P	190,575.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	-1,471,408.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year	190,575.				190,575.	
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					4,108,835.	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,661,983.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,661,983.				4,108,835.	2,446,852.

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
9X1665 1.000

RIDOH 1904

SCHEDULE M (Form 5471)
(Rev December 2007)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

Name of foreign corporation

TOLL GATE INDEMNITY, LTD.

Important: *Complete a* ***separate*** *Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶U.S. DOLLAR

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U S. shareholder of controlled foreign corporation (other than the U S. person filing this return)	(f) 10% or more U.S shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc)					
4 Buy-in payments received					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11	0.	0.	0.	0.	0.
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc.)					
16 Buy-in payments paid					
17 Cost sharing payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23	0.	0.	0.	0.	0.
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions	0.	0.	0.	0.	0.
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions	0.	0.	0.	0.	0.

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 2 DETAIL

ATTACHMENT 1

SCH C, LINE 8 - OTHER INCOME

INVESTMENT INCOME	1,110,464.
UNREALIZED GAINS	1,061,123.
TOTAL	2,171,587.

ATTACHMENT 2

SCH C, LINE 16 - OTHER DEDUCTIONS

GENERAL & ADMINISTRATIVE EXPENSES	919,890.
LOSSES AND LOSS EXPENSES PAID	8,338,662.
CHANGE IN RESERVES-LOSS & ADJ EXP	-2,708,759.
TOTAL	6,549,793.

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 3 DETAIL

	BEGINNING US CURRENCY	ENDING US CURRENCY
		ATTACHMENT 3
SCH F, LINE 4 - OTHER CURRENT ASSETS		
PREPAID EXPENSE	12,122.	23,867.
PREMIUMS RECEIVABLE	1,930,241.	2,229,568.
TOTALS	1,942,363.	2,253,435.
		ATTACHMENT 4
SCH F, LINE 7 - OTHER INVESTMENTS		
MARKETABLE SECURITIES	22,131,333.	22,900,765.
TOTALS	22,131,333.	22,900,765.
		ATTACHMENT 5
SCH F, LINE 15 - OTHER CURRENT LIABILITIES		
UNEARNED PREMIUMS	948,697.	952,319.
LOSSES PAYABLE	184,110.	5,164,541.
TOTALS	1,132,807.	6,116,860.
		ATTACHMENT 6
SCH F, LINE 17 - OTHER LIABILITIES		
RESERVES FOR LOSSES & LOSS ADJ EXP	19,801,095.	17,092,337.
TOTALS	19,801,095.	17,092,337.
		ATTACHMENT 7
SCH F, LINE 19 - PAID-IN OR CAP SURPLUS		
ADDITIONAL PAID-IN ACPITAL	2,440,580.	2,440,580.
TOTALS	2,440,580.	2,440,580.

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

ATTACHMENT 8

FORM 5471, PAGE 4 DETAIL

SCH H, LINE 2H - OTHER RECONCILING ITEMS	NET ADDITIONS	NET SUBTRACTS
LOSS & LOSS ADJUSTMENT EXPENSE INCURRED	5,629,904.	
PREMIUMS EARNED		5,249,813.
NET UNREALIZED LOSS FOR THE YEAR		1,061,123.
TOTALS	5,629,904.	6,310,936.

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SECTION 6038 STATEMENT

1. TRANSFEROR:
NAME: KENT COUNTY MEMORIAL HOSPITAL
FEIN: 05-0258896
ADDRESS: 455 TOLL GATE ROAD
WARWICK, RI 02886
2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: TOLL GATE INDEMNITY, LTD.
FEIN: 34-2028514
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS
COUNTRY OF INCORPORATION: CAYMAN ISLANDS
(II) KENT COUNTY MEMORIAL HOSPITAL TRANSFERRED TO TOLL GATE INDEMNITY, LTD CASH OF $2,984,445.41 AS PREMIUMS FOR INSURANCE COVERAGE. AS THE INSURANCE CONTRACT DOES NOT TRANSFER A RISK OF LOSS TO THE INSURANCE COMPANY, THE CONTRACT IS NOT BEING TREATED AS AN INSURANCE CONTRACT FOR FEDERAL TAX PURPOSES. RATHER THE PAYMENT OF THE PREMIUM IS BEING TREATED AS A CONTRIBUTION BY KENT COUNTY MEMORIAL HOSPITAL TRANSFERRED TO THE CAPITAL OF TOLL GATE INDEMNITY, LTD. BEFORE AND AFTER THE EXCHANGE, KENT COUNTY MEMORIAL HOSPITAL OWNED 100.0% OF TOLL GATE INDEMNITY, LTD. STOCK. SUBJECT TO THE PROVISION OF IRC §367(A) OF 1986, AS AMENDED, THE TRANSACTION QUALIFIES AS A TAX-FREE TRANSACTION UNDER IRC §351.

3. CONSIDERATION RECEIVED: SHARE INTEREST

4. PROPERTY TRANSFERRED:

(I) CASH	$2,984,445.41
(II) ACTIVE BUSINESS PROPERTY:	NOT APPLICABLE
(III) STOCK OR SECURITIES:	NOT APPLICABLE
(IV) DEPRECIATED PROPERTY:	NOT APPLICABLE
(V) PROPERTY TO BE LEASED:	NOT APPLICABLE
(VI) PROPERTY TO BE SOLD:	NOT APPLICABLE
(VII) TRANSFERS TO FSC'S:	NOT APPLICABLE
(VIII) TAINTED PROPERTY:	NOT APPLICABLE
(IX) FOREIGN LOSS BRANCH:	NOT APPLICABLE
(X) OTHER INTANGIBLES:	NOT APPLICABLE

5. TRANSFER OF FOREIGN BRANCH WITH PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE

(I) BRANCH OPERATION	NOT APPLICABLE
(II) BRANCH PROPERTY	NOT APPLICABLE
(III) PREVISOUSLY DEDUCTED LOSSES	NOT APPLICABLE
(IV) CHARACTER OF GAIN	NOT APPLICABLE

6. APPLICATION OF SECTION 367(A)(5): NOT APPLICABLE

ATTACHMENT 9

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SCHEDULE M, LINE 11

TOLL GATE INDEMNITY, LTD. IS A CAPTIVE INSURANCE COMPANY, AND AS SUCH, DOES NOT RECOGNIZE PREMIUM REVENUE. INSTEAD, KENT COUNTY MEMORIAL HOSPITAL MAKES SELF INSURANCE DEPOSITS WITH THE ORGANIZATION.

Form **926**
(Rev December 2008)
Department of the Treasury
Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶ Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026
Attachment Sequence No. **128**

Part I **U.S. Transferor Information** (see instructions)

Name of transferor	Identifying number (see instructions)
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? . . . . . ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? . . . . . ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? . . . . . ☐ Yes ☐ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? . . . . . ☐ Yes ☐ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? . . . . . ☐ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? . . . . . ☐ Yes ☐ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? . . . . . ☐ Yes ☐ No

Part II **Transferee Foreign Corporation Information** (see instructions)

3 Name of transferee (foreign corporation)	4 Identifying number, if any
TOLL GATE INDEMNITY, LTD.	34-2028514

5 Address (including country) P.O. BOX 1051 GRAND CAYMAN
CAYMAN ISLAND B.W.I.

6 Country code of country of incorporation or organization (see instructions)
CJ

7 Foreign law characterization (see instructions)
CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? . . . . . ☒ Yes ☐ No

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	VAR		2,984,445.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp Regs. sec. 1 367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

TRANSFER OF $2,984,445.41 CASH AND DEEMED CASH CONTRIBUTIONS ON VARIOUS DATES DURING THE FISCAL YEAR ENDED 9/30/2010. THE AMOUNTS TRANSFERRED WERE IN THE FORM OF A PREMIUM PAID TO A WHOLLY OWNED CAPTIVE. FOR U.S. FEDERAL INCOME TAX PURPOSES, THE ARRANGEMENT IS NOT BEING TREATED AS INSURANCE.

Part IV **Additional Information Regarding Transfer of Property** (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 100 % (b) After 100 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

a	Gain recognition under section 904(f)(3)	☐ Yes	☒ No
b	Gain recognition under section 904(f)(5)(F)	☐ Yes	☒ No
c	Recapture under section 1503(d)	☐ Yes	☒ No
d	Exchange gain under section 987	☐ Yes	☒ No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

a	Tainted property	☐ Yes	☒ No
b	Depreciation recapture	☐ Yes	☒ No
c	Branch loss recapture	☐ Yes	☒ No
d	Any other income recognition provision contained in the above-referenced regulations	☐ Yes	☒ No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ _____

16 Was cash the only property transferred? ☒ Yes ☐ No

17a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Attachment to 09/30/2010 Form 926 and Form 5471
Statement Pursuant to §1.351-3(b) by
Tollgate Indemnity, Ltd. 34-2028514, a transferee corporation

1	Transferor Name:	KENT COUNTY MEMORIAL HOSPITAL
	Taxable Year Ended:	09/30/2010
	FEIN:	05-0258896
	Transferee Name:	TOLL GATE INDEMNITY, LTD.
	EIN:	34-2028514
	Transferee Address:	P.O. BOX 1051 GRAND CAYMAN, CAYMAN ISLANDS, B.W.I.

This statement is being filed with TOLL GATE INDEMNITY, LTD., the transferee, Form 5471, Information Return of U.S. Persons, with respect to the transferee, for the taxable year ended 9/30/2010.

This statement is filed in accordance with Reg. §1.351-3(b) to disclose the details of property transferred to the above controlled corporation.

2 Date(s) of the transfers of assets:

12/09/09	$ 317,433.94
02/26/10	712,784.62
05/18/10	921,103.38
08/25/10	1,033,123.47
	$2,984,445.41

3 Aggregate fair market value and basis, determined immediately before the exchange, of all property received in the exchange:
a. Fair Market Value:

At various times throughout the year, the transferee received cash and deemed cash contributions in the amount of USD $2,984,445.41 from the transferor, KENT COUNTY MEMORIAL HOSPITAL.

b. Adjusted Basis of Property:

KENT COUNTY MEMORIAL HOSPITAL basis in the property transferred on the date(s) of the exchange was USD $2,984,445.41.

4 Date and control number of any private letter ruling(s)issued by the Internal Revenue Service in connection with the section 351 exchange: NOT APPLICABLE.

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , **2008, and ending** 09/30 , **20**09

B Check if applicable: Address change; Name change; Initial return; Termination; Amended return; Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization KENT COUNTY MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) 455 TOLL GATE ROAD — Room/suite

City or town, state or country, and ZIP + 4 WARWICK, RI 02886

D Employer identification number 05-0258896

E Telephone number (401) 737-8885 EXT 400

G Gross receipts $ 293,513,354.

F Name and address of principal officer: PAUL BEAUDOIN
455 TOLL GATE ROAD WARWICK, RI 02886

H(a) Is this a group return for affiliates? Yes [ ] No [X]

H(b) Are all affiliates included? Yes [ ] No [ ]
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: [X] 501(c)(3) ◀ (insert no.) [ ] 4947(a)(1) or [ ] 527

J Website: ▶ WWW.KENTRI.ORG

K Type of organization. [X] Corporation [ ] Trust [ ] Association [ ] Other ▶

L Year of formation. 1951 **M** State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
KENT HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

2 Check this box ▶ [ ] if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	26
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	22
5	Total number of employees (Part V, line 2a)	5	2,745
6	Total number of volunteers (estimate if necessary)	6	249
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	11,549,148.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	NONE

Revenue

		Prior Year	Current Year
8	Contribution and grants (Part VIII, line 1h)	270,870.	124,142.
9	Program service revenue (Part VIII, line 2g)	254,586,904.	277,151,578.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,315,814.	-276,995.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c. 10c, and 11e)	3,583,557.	4,974,334.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	259,757,145.	281,973,059.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)		6,600.
14	Benefits paid to or for members (Part IX, column (A), line 4)		
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	135,512,093.	150,224,698.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		36,000.
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 588,714.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	124,079,558.	128,594,124.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	259,591,651.	278,861,422.
19	Revenue less expenses. Subtract line 18 from line 12	165,494.	3,111,637.

Net Assets or Fund Balances

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	149,843,853.	147,011,984.
21	Total liabilities (Part X, line 26)	76,933,774.	87,372,070.
22	Net assets or fund balances. Subtract line 21 from line 20	72,910,079.	59,639,914.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Susan Doull — Date 8/4/2010 — Check if self-employed ▶ [ ] — Preparer's identifying number (see instructions) P00233523

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ ERNST & YOUNG U.S. LLP, 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601 — EIN ▶ 34-6565596 — Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (See instructions) [ ] Yes [X] No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

JSA
8E1010 2 000
4IV0M1 F227 V08-8.3 10868786

RIDOH 1916

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
KENT HOSPITAL IS DEVOTED TO CONTINUALLY IMPROVING THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES WE SERVE, OFFERING OUR ESSENTIAL SERVICES WITHOUT REGARD FOR ABILITY TO PAY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 250,483,170. including grants of $ 6,600.) (Revenue $ 277,151,578.)
SEE STATEMENT 1

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ $ 250,483,170. *(Must equal Part IX, Line 25, column (B).)*

RIDOH 1917

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		X
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		X
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		X
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17	X	
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5,? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

RIDOH 1918

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		X
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		X
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		X
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

RIDOH 1919

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 160		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 2,745		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶CAYMAN ISLANDS See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body 1a 26			
b	Enter the number of voting members that are independent 1b 22			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶JAMES M. BURKE 455 TOLL GATE ROAD WARWICK, RI 02886
401-737-8885

RIDOH 1921

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SEE SCHEDULE J-2										

RIDOH 1922

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								6,097,440.	676,650.	1,053,417.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 115

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 3		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 40

RIDOH 1923

Part VIII Statement of Revenue 05-0258896

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b	75,660.			
	c Fundraising events	1c	20,137.			
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	28,345.			
	g Noncash contributions included in lines 1a-1f: $ 4,512.					
	h **Total.** Add lines 1a-1f		124,142.			
Program Service Revenue		**Business Code**				
	2a PATIENT SERVICE REVENUE	622110	265,602,430.	265,602,430.		
	b OTHER SERVICES	621990	11,549,148.		11,549,148.	
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		277,151,578.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		978,541.			978,541.
	4 Income from investment of tax-exempt bond proceeds		449.			449.
	5 Royalties		NONE			
		(i) Real	(ii) Personal			
	6a Gross Rents	329,052.				
	b Less: rental expenses	248,981.				
	c Rental income or (loss)	80,071.				
	d Net rental income or (loss)		80,071.			80,071.
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	9,447,073.	79,609.			
	b Less: cost or other basis and sales expenses	10,702,577.	80,090.			
	c Gain or (loss)	-1,255,504.	-481.			
	d Net gain or (loss)		-1,255,985.			-1,255,985.
	8a Gross income from fundraising events (not including $ 20,137. of contributions reported on line 1c). See Part IV, line 18. a	76,379.				
	b Less: direct expenses b	37,510.				
	c Net income or (loss) from fundraising events		38,869.			38,869.
	9a Gross income from gaming activities. See Part IV, line 19. a					
	b Less. direct expenses b					
	c Net income or (loss) from gaming activities		NONE			
	10a Gross sales of inventory, less returns and allowances a	826,553.				
	b Less cost of goods sold b	471,137.				
	c Net income or (loss) from sales of inventory		355,416.			355,416.
	Miscellaneous Revenue	**Business Code**				
	11a CAFETERIA	900003	80,275.			80,275.
	b EMPLOYEE SALES	900003	124,738.			124,738.
	c TELEPHONE SALES	900003	36,830.			36,830.
	d All other revenue	900003	4,258,135.			4,258,135.
	e **Total.** Add lines 11a-11d		4,499,978.			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e		281,973,059.	265,602,430.	11,549,148.	4,697,339.

RIDOH 1924

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	6,600.	6,600.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	5,045,988.		5,045,988.	
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	111,228,578.	101,633,748.	9,402,771.	192,059.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions)	4,042,122.	3,533,154.	502,291.	6,677.
9 Other employee benefits	21,503,417.	18,795,794.	2,672,104.	35,519.
10 Payroll taxes	8,404,593.	7,346,321.	1,044,390.	13,882.
11 Fees for services (non-employees):				
a Management				
b Legal	13,800.		13,800.	
c Accounting	287,745.		287,745.	
d Lobbying	8,429.		8,429.	
e Professional fundraising services. See Part IV, line 17	36,000.			36,000.
f Investment management fees				
g Other	4,517,763.	4,517,763.		
12 Advertising and promotion	393,196.	353,876.	39,320.	
13 Office expenses	35,067,159.	34,716,487.	350,672.	
14 Information technology	9,539,466.	8,585,519.	953,947.	
15 Royalties				
16 Occupancy	4,418,142.	3,976,328.	441,814.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	240,542.	170,785.	69,757.	
20 Interest	812,077.	812,077.		
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	8,890,746.	8,001,671.	889,075.	
23 Insurance	9,656,917.	6,856,411.	2,800,506.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a PROVISION FOR UNCOLLECTIBLES	21,155,403.	21,155,403.		
b LICENSURE FEE	11,376,116.	11,376,116.		
c PURCHASED SERVICES	12,485,381.	11,236,843.	1,248,538.	
d DIETARY SERVICES	1,458,198.	1,458,198.		
e HOUSEKEEPING	812,883.	812,883.		
f All other expenses	7,460,161.	5,137,193.	2,018,391.	304,577.
25 Total functional expenses. Add lines 1 through 24f	278,861,422.	250,483,170.	27,789,538.	588,714.
26 Joint Costs. Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 1925

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments		2	
	3	Pledges and grants receivable, net		3	
	4	Accounts receivable, net	30,194,504.	4	33,404,989.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net		7	
	8	Inventories for sales or use	3,099,895.	8	3,354,693.
	9	Prepaid expenses and deferred charges	964,296.	9	1,020,243.
	10a	Land, buildings, and equipment: cost basis 10a 198,774,866.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D. 10b 126,026,324.	75,956,300.	10c	72,748,542.
	11	Investments - publicly traded securities	33,159,849.	11	31,035,579.
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	6,469,009.	15	5,447,938.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	149,843,853.	16	147,011,984.
Liabilities	17	Accounts payable and accrued expenses	45,135,826.	17	39,588,183.
	18	Grants payable		18	
	19	Deferred revenue		19	
	20	Tax-exempt bond liabilities	19,471,305.	20	NONE
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties		23	
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	12,326,643.	25	47,783,887.
	26	**Total liabilities.** Add lines 17 through 25	76,933,774.	26	87,372,070.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	59,503,179.	27	48,539,539.
	28	Temporarily restricted net assets		28	
	29	Permanently restricted net assets	13,406,900.	29	11,100,375.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	72,910,079.	33	59,639,914.
	34	Total liabilities and net assets/fund balances	149,843,853.	34	147,011,984.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b		X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		X
b	If "Yes," did the organization undergo the required audit or audits?	3b		

RIDOH 1926

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	**Employer identification number**
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

RIDOH 1927

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (See instructions.) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances"" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

RIDOH 1928

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 1929

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 1930

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **To be completed by organizations described below.**

▶ **Attach to Form 990 or Form 990-EZ.**

OMB No. 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(cy)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations. Complete Part III.

Name of organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.

See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . .

Part I-B To be completed by all organizations exempt under section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

RIDOH 1931

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

A Check ▶ ☐ if the filing organization belongs to an affiliated group.

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a		
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c		
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

RIDOH 1932

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i	Other activities? If "Yes," describe in Part IV	X		7,665.
j	Total lines 1c through 1i			7,665.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 1933

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITY

SCHEDULE C PART II-B, LINE I

THE HOSPITAL PAID $7,665 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) AS THE PORTION OF MEMBERSHIP DUES ALLOCATED TO LOBBYING. THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE CARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S 2009 ADVOCACY CAN BE VIEWED AT THEIR WEBSITE WWW.AHA.ORG.

RIDOH 1934

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

RIDOH 1935

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	26,324,947.				
b Contributions	200.				
c Investment earnings or losses	745,348.				
d Grants or scholarships					
e Other expenditures for facilities and programs	3,046,599.				
f Administrative expenses	47,096.				
g End of year balance	23,976,800.				

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ 55.0000 %
b Permanent endowment ▶ 45.0000 %
c Term endowment ▶ NONE %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)	X	
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		90,165.		90,165.
b Buildings	1,185,781.	85,150,485.	38,827,711.	47,508,555.
c Leasehold improvements				
d Equipment		108,819,350.	84,788,651.	24,030,699.
e Other		3,529,085.	2,409,962.	1,119,123.
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				72,748,542.

RIDOH 1936

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
LONG-TERM BENEFITS PAYABLE	1,569,705.
DEFERRED COMPENSATION	1,196,912.
CAPITAL LEASES PAYABLE	3,616,438.
ASSET RETIREMENT OBLIGATION	904,036.
PENSION LIABILITY	22,489,140.
DUE TO AFFILIATES	18,007,656.
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	47,783,887.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 1937

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SEE PAGE 5

RIDOH 1938

Part XIV Supplemental Information *(continued)*

SUPPLEMENTAL INFORMATION

SCH D PART V LINE 4

ENDOWMENT FUNDS USES

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE PURPOSES INCLUDE GENERAL PURPOSE, HEALTHCARE SERVICES, INDIGENT CARE, HEALTH EDUCATION AND PROPERTY AND EQUIPMENT.

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.

OMB No. 1545-0047
2008
Open To Public Inspection

Name of the organization
KENT COUNTY MEMORIAL HOSPITAL

Employer identification number
05-0258896

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a [ ] Mail solicitations
b [ ] Email solicitations
c [ ] Phone solicitations
d [ ] In-person solicitations
e [ ] Solicitation of non-government grants
f [ ] Solicitation of government grants
g [X] Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? [X] Yes [ ] No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
SEASIDE PHILANTHROPHY	GRANT-WRITING		X	118,400.	36,000.	82,400.
Total ▶				118,400.	36,000.	82,400.

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 GOLF TOURNAMENT (event type)	(b) Event #2 (event type)	(c) Other Events (total number)	(d) Total Events (Add col. (a) through col. (c))
Revenue	1 Gross receipts	63,997.			63,997.
	2 Less: Charitable contributions	20,137.			20,137.
	3 Gross revenue (line 1 minus line 2)	43,860.			43,860.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes	5,772.			5,772.
	6 Rent/facility costs	11,250.			11,250.
	7 Other direct expenses	8,593.			8,593.
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(25,615.)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				18,245.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities:			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain:			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain:			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

RIDOH 1941

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Provide the name and address of the person who prepares the organization's gaming/special event books and records:			
	Name ▶ _____			
	Address ▶ _____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.			
c	If "Yes," enter name and address:			
	Name ▶ _____			
	Address ▶ _____			
16	Gaming manager information:			
	Name ▶ _____			
	Gaming manager compensation ▶ $ _____			
	Description of services provided ▶ _____			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

RIDOH 1942

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a		
b	If "Yes," is it a written policy?		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
c	If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Does the organization prepare an annual community benefit report?		
b	If "Yes," does the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *Worksheets 1 and 2*)						
b Unreimbursed Medicaid (from *Worksheet 3, column a*)						
c Unreimbursed costs - other means-tested government programs (from *Worksheet 3, column b*)						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

RIDOH 1943

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities. *(Optional for 2008)*

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 **Total**						

Part III **Bad Debt, Medicare, & Collection Practices** *(Optional for 2008)*

Section A. Bad Debt Expense

		Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		
2 Enter the amount of the organization's bad debt expense (at cost)	2		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5		
6 Enter Medicare allowable costs of care relating to payments on line 5	6		
7 Enter line 5 less line 6 - surplus or (shortfall)	7		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used: ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other			

Section C. Collection Practices

9a Does the organization have a written debt collection policy?	9a		
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV **Management Companies and Joint Ventures** *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 1944

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
KENT HOSPITAL 455 TOLL GATE ROAD WARWICK RI 02886	X	X		X			X		
DR. SANTORO OFFICE 1681 CRANSTON STREET CRANSTON RI 02920									FACULTY PRACTICE
DR. REEDER OFFICE (+ OP THERAPY) 1351 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									FACULTY PRACTICE & THERAPY
KENT HOSPITAL OUTPATIENT LAB 750 RESERVOIR AVENUE CRANSTON RI 02910									LAB
KENT HOSPITAL OUTPATIENT LAB 1620 NOOSENECK HILL ROAD COVENTRY RI 02816									LAB
KENT HOSPITAL OUTPATIENT LAB 390 TOLL GATE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1051 TEN ROD ROAD NORTH KINGSTOWN RI 02852									LAB
KENT HOSPITAL OUTPATIENT LAB 250 CENTERVILLE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 982 TIOGUE AVENUE COVENTRY RI 02816									LAB
BAYSIDE FAMILY HEALTH CARE 308 CALLAHAN ROAD NORTH KINGSTOWN RI 02852									PHYSICIAN & LAB
KENT HOSPITAL OUTPATIENT LAB 227 CENTERVILLE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1087 WARWICK AVENUE WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 166 TOLL GATE ROAD WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 190 COMMERCE DRIVE WARWICK RI 02886									LAB
KENT HOSPITAL OUTPATIENT LAB 1079 MAIN STREET WEST WARWICK RI 02983									LAB
KENT HOSPITAL OUTPATIENT LAB 1405 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									LAB

RIDOH 1945

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
KENT HOSPITAL OUTPATIENT LAB 905 PONTIAC AVENUE CRANSTON RI 02920									LAB
KENT HOSPITAL OUTPATIENT LAB 215 TOLL GATE ROAD WARWICK RI 02886									LAB

RIDOH 1946

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RIDOH 1947

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☐ Yes ☒ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
NORTHWEST COMMUNITY HEALTH CARE 36 BRIDGEWAY AVE. PASCOAG, RI 02859	05-0258811	501(C)(3)	6,600.				SUPPORT BAYSIDE FAM HEALTHCARE DIVISION

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶ NONE

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2008

JSA
8E1288 2.000

RIDOH 1948

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

RIDOH 1949

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	☐ First-class or charter travel	☐ Housing allowance or residence for personal use		
	☐ Travel for companions	☐ Payments for business use of personal residence		
	☐ Tax indemnification and gross-up payments	☒ Health or social club dues or initiation fees		
	☐ Discretionary spending account	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	☒ Compensation committee	☒ Written employment contract		
	☒ Independent compensation consultant	☒ Compensation survey or study		
	☐ Form 990 of other organizations	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SEE SCHEDULE J-1	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

RIDOH 1951

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SCHEDULE J

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, QUESTIONS 1A

PAYMENTS MADE ON BEHALF OF CARE NEW ENGLAND CEO TO LUNCHEON CLUB FOR MEMBERSHIP DUES AND BUSINESS RELATED EXPENSES IN ACCORDANCE WITH EMPLOYMENT CONTRACT.

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS

SCHEDULE J, PART I, QUESTION 4B

THE FOLLOWING INDIVIDUAL PARTICIPATES IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THE TOTAL 2008 CONTRIBUTION TO THE NONQUALIFIED PLAN IS REPORTED BELOW AND IS ALSO REPORTED AS OTHER REPORTABLE COMPENSATION IN THE INDIVIDUAL'S 2008 COMPENSATION AS SHOWN IN SCHEDULE J-1.

SERP SPLIT DOLLAR LIFE INSURANCE:

JOHN HYNES $17,998

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SCHEDULE J, QUESTIONS 6A & 6B

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH SHORT TERM AND LONG TERM INCENTIVE PROGRAMS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS:

O QUALITY

O FINANCIAL

O PATIENT SATISFACTION

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL

RIDOH 1953

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

AREAS:

O NET INCOME FROM OPERATIONS

O MARKET SHARE

O PATIENT SATISFACTION

O STRATEGIC OBJECTIVE

RIDOH 1954

SCHEDULE J-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	89,000.	NONE	NONE	NONE	NONE	89,000.	NONE
DAVID LOWE MD	(ii)	75,833.	NONE	NONE	NONE	NONE	75,833.	NONE
	(i)	264,898.	51,611.	39,729.	68,135.	8,516.	432,889.	9,741.
PAUL BEAUDOIN	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	158,413.	25,649.	21,183.	13,684.	8,453.	227,382.	NONE
JAMES BURKE	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	135,540.	16,616.	15,500.	12,484.	1,195.	181,335.	NONE
JEAN BUTLER	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	154,863.	26,169.	24,743.	49,354.	7,339.	262,468.	NONE
DAVID CAMPBELL	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MARK CREVIER	(ii)	366,324.	108,873.	125,620.	142,579.	10,181.	753,577.	11,973.
	(i)	229,898.	NONE	58,833.	18,959.	4,649.	312,339.	NONE
MICHAEL DACEY MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	244,841.	40,963.	38,131.	87,923.	9,242.	421,100.	NONE
JOSEPH DIPIETRO	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	141,776.	16,681.	NONE	7,409.	4,452.	170,318.	NONE
FRAN FALSEY	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	218,160.	41,115.	783.	47,744.	5,988.	313,790.	NONE
MARYANN GLYNN	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	758,868.	359,000.	163,354.	229,520.	8,749.	1,519,491.	NONE
JOHN HYNES	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	230,649.	28,399.	26,658.	15,534.	6,865.	308,105.	NONE
PAUL MCKENNEY MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	232,284.	37,417.	43,089.	50,718.	1,348.	364,856.	NONE
HELEN REED	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	91,274.	16,182.	18,585.	26,685.	9,796.	162,522.	NONE
BRIAN WALLIN	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	336,607.	NONE	59,904.	58,806.	1,708.	457,025.	NONE
OMPRAKASH KOTHARI MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	284,592.	4,262.	31,000.	19,270.	1,573.	340,697.	NONE
ROBERT DINWOODIE DO	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
	(i)	268,122.	NONE	20,438.	13,159.	7,146.	308,865.	NONE
KENNETH PHILLIPS MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	247,667.	NONE	20,500.	17,250.	5,458.	290,875.	NONE
IMENDE SUTHERLAND MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	198,131.	NONE	57,853.	12,650.	7,513.	276,147.	NONE
PATRICIA MAGNO-RUSSO MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)	149,314.	51,249.	50,906.	20,785.	6,246.	278,500.	11,941.
JOHN AUDETT MD	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-1 (Form 990) 2008

JSA
8E1293 1 000

RIDOH 1956

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

KENT COUNTY MEMORIAL HOSPITAL

Employer Identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ALFRED ARCAND MD TRUSTEE	1.	X						NONE	NONE	NONE
RAYMOND BOLSTER, II TREASURER	1.	X						NONE	NONE	NONE
HERBERT BRENNAN DO TRUSTEE	1.	X						NONE	NONE	NONE
JANICE CAIANIELLO TRUSTEE	1.	X						95,462.	NONE	23,757.
THOMAS CELONA TRUSTEE	1.	X						NONE	NONE	NONE
EDWARD COONEY TRUSTEE	1.	X						NONE	NONE	NONE
ANDREW ERICKSON CHAIR	5.	X						NONE	NONE	NONE
JONATHAN FARNUM ASSISTANT TREASURER	1.	X						NONE	NONE	NONE
THE HONORABLE FRANCIS FLAHERTY TRUSTEE	1.	X						NONE	NONE	NONE
MICHAEL GRANDE TRUSTEE	1.	X						NONE	NONE	NONE
JAMES HAGERTY FINANCE CHAIR	1.	X						NONE	NONE	NONE
LAURA HILDERLEY RN MS ASSISTANT SECRETARY	1.	X						NONE	NONE	NONE
ANDREA HOPKINS VICE CHAIR	1.	X						NONE	NONE	NONE
JAMES HOPKINS TRUSTEE	1.	X						NONE	NONE	NONE
POLLY LEONARD DO TRUSTEE	1.	X						58,426.	NONE	NONE
DAVID LOWE MD TRUSTEE	1.	X						89,000.	75,833.	NONE
KENNETH MACNAUGHT TRUSTEE	1.	X						NONE	NONE	NONE
GERALD MCCLURE TRUSTEE	1.	X						NONE	NONE	NONE
JOSEPH MCGAIR, ESQ. VICE CHAIR	1.	X						NONE	NONE	NONE
DANIEL REARDON MD TRUSTEE	1.	X						NONE	NONE	NONE
STEPHEN ROOKS SECRETARY	1.	X						NONE	NONE	NONE

RIDOH 1957

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

KENT COUNTY MEMORIAL HOSPITAL

Employer Identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL RYAN TRUSTEE	1.	X						NONE	NONE	NONE
GEORGE SHUSTER TRUSTEE	1.	X						NONE	NONE	NONE
DEBORAH SMITH TRUSTEE	1.	X						NONE	NONE	NONE
JOSEPH SPINALE DO TRUSTEE	1.	X						NONE	NONE	NONE
JAMES VESEY TRUSTEE	1.	X						NONE	NONE	NONE
MARIBETH WILLIAMSON TRUSTEE	1.	X						NONE	NONE	NONE
SANDRA COLETTA PRESIDENT 10/01/08 TO PRESENT	60.	X		X				102,153.	NONE	595.
JOHN HYNES CEO - CARE NEW ENGLAND	60.	X		X				1,281,222.	NONE	238,269.
PAUL BEAUDOIN SR VICE PRESIDENT - FINANCE	60.			X				356,238.	NONE	76,651.
JAMES BURKE VICE PRESIDENT - FINANCE	60.			X				205,245.	NONE	22,137.
JEAN BUTLER VICE PRESIDENT - PATIENT CARE	60.			X				167,656.	NONE	13,679.
DAVID CAMPBELL SENIOR VP - HUMAN RESOURCES	60.			X				205,775.	NONE	56,693.
MARK CREVIER PRESIDENT UNTIL 10/15/08	60.			X				NONE	600,817.	152,760.
MICHAEL DACEY MD SENIOR VP - MEDICAL AFFAIRS	60.			X				288,731.	NONE	23,608.
JOSEPH DIPIETRO SENIOR VICE PRESIDENT	60.			X				323,935.	NONE	97,165.
FRAN FALSEY VP - PATIENT CARE SERVICES	60.			X				158,457.	NONE	11,861.
RENE FISCHER SR VP - PATIENT CARE SERVICES	60.			X				NONE	NONE	NONE
MARYANN GLYNN SR VP - PATIENT CARE SERVICES	60.			X				260,058.	NONE	53,732.
PAUL MCKENNEY MD VICE PRESIDENT-MEDICAL AFFAIRS	60.			X				285,706.	NONE	22,399.
HELEN REED VICE PRESIDENT - REVENUE CYCLE	60.			X				312,790.	NONE	52,066.
BRIAN WALLIN VICE PRESIDENT-PUBLIC RELATION	60.			X				126,041.	NONE	36,481.

RIDOH 1958

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

KENT COUNTY MEMORIAL HOSPITAL

Employer Identification number

05-0258896

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
OMPRAKASH KOTHARI MD MEDICAL DIRECTOR - LABORATORY	60.					X		396,511.	NONE	60,514.
ROBERT DINWOODIE DO MEDICAL DIR - EMERGENCY ROOM	60.					X		319,854.	NONE	20,843.
KENNETH PHILLIPS MD PHYSICIAN - INTENSIVIST	60.					X		288,560.	NONE	20,305.
IMENDE SUTHERLAND MD MEDICAL DIRECTOR - REHAB UNIT	60.					X		268,167.	NONE	22,708.
PATRICIA MAGNO-RUSSO MD PHYSICIAN - HOSPITALIST	60.					X		255,984.	NONE	20,163.
JOHN AUDETT MD FORMER VP MEDICAL AFFAIRS	NONE						X	251,469.	NONE	27,031.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-2 (Form 990) 2008

JSA

8E1294 1 000

RIDOH 1959

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

DESCRIPTION OF RELATIONSHIPS

FORM 990, PART VI, QUESTION 2

ANDREA HOPKINS AND JAMES HOPKINS - FAMILY RELATIONSHIP - IN-LAWS

JONATHAN FARNUM AND JAMES HOPKINS - BUSINESS RELATIONSHIP

- WARDWELL BRAIDING MACHINE COMPANY

JONATHAN FARNUM AND GEORGE SHUSTER - BUSINESS RELATIONSHIP

- CRANSTON PRINT WORKS

JONATHAN FARNUM, RAYMOND BOLSTER AND JAMES HOPKINS - BUSINESS RELATIONSHIP

- CENTERVILLE BANK

ANDREW ERICKSON AND MARIBETH WILLIAMSON - BUSINESS RELATIONSHIP

- AMICA INSURANCE

RIDOH 1960

Name of the organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

DELEGATE CONTROL OVER MANAGEMENT DUTIES

FORM 990, PART VI, QUESTION 3

THE HOSPITAL ENGAGES SODEXO HEALTH CARE TO BE AN AGENT OF THE HOSPITAL AND DELEGATES CONTROL TO SODEXO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE HOSPITAL'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE HOSPITAL.

RIDOH 1961

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

CORPORATE GOVERNANCE

FORM 990, PART VI, QUESTION 6

CARE NEW ENGLAND HAS CORPORATE GOVERNANCE OVER KENT HOSPITAL AND IS THE SOLE CORPORATE MEMBER.

RIDOH 1962

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ARTICLE II OF KENT HOSPITAL BYLAWS, BOARD OF TRUSTEES

FORM 990, PART VI, QUESTION 7A

SECTION 1. COMPOSITION AND ELECTION OF BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EX OFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY THE INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL INCLUDE ONE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS AND THE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE CORPORATE MEMBER AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THEIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

RIDOH 1963

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

ARTICLE II OF KENT HOSPITAL BYLAWS, RIGHTS OF CORPORATE MEMBER

FORM 990, PART VI, QUESTION 7B

SECTION 2.01. RESERVED POWERS. NOTWITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OF THE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR

RIDOH 1964

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

PLEDGES BY OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

RIDOH 1965

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FORM 990 REVIEW PROCESS

FORM 990, PART VI, QUESTION 10

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE VICE PRESIDENT OF FINANCE AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R) IS PRESENTED BY THE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE.

RIDOH 1966

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, QUESTION 12C

POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVES A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

RIDOH 1967

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A & 15B

DETERMINATION OF COMPENSATION FOR CEO, EXECUTIVE DIRECTOR, TOP MANAGEMENT, OFFICERS AND KEY EMPLOYEES

THE BOARD OF TRUSTEES OF KENT HOSPITAL (KENT) HAS A COMMITTEE OF TRUSTEES KNOWN AS THE EXECUTIVE COMMITTEE ("THE COMMITTEE"). THIS COMMITTEE SERVES AS THE COMPENSATION COMMITTEE FOR THE HOSPITAL. THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR KENT EXECUTIVES. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

MEMBERSHIP AND MEETINGS

THE COMMITTEE WILL BE COMPRISED OF MEMBERS OF THE BOARD OF TRUSTEES, ALL OF WHOM SHALL BE AN OUTSIDER. THE KENT PRESIDENT & CEO ('THE CEO") PARTICIPATES IN COMPENSATION COMMITTEE MEETINGS, EXCEPT AS THE COMMITTEE'S DELIBERATIONS CONCERN THE KENT PRESIDENT & CEO.

OUTSIDE ADVISORS

THE COMMITTEE SHALL HAVE THE SOLE AUTHORITY TO RETAIN OR TERMINATE ANY OUTSIDE ADVISOR SUCH AS LEGAL COUNCEL, ANY COMPENSATION CONSULTING FIRM OR ANY OTHER ADVISOR, INCLUDING ATHE AUTHORITY TO APPROVE THE ADVISOR'S FEES AND OTHER TERMS OF RETENTION.

OVERALL RESPONSIBILITY

THE COMMITTEE HAS BEEN DELEGATED AUTHORITY BY THE BOARD TO ASSURE TOTAL

RIDOH 1968

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

COMPENSATION FOR THE EXECUTIVES IS REASONABLE PER IRS SECTION 4958 (INTERMEDIATE SANCTION). SPECIFICALLY, THE COMMITTEE IS ACCOUNTABLE AND ULTIMATLEY RESPONSIBLE TO THE BOARD FOR THE FOLLOWING:

- ESTABLISH AND OVERSEE KENT EXECUTIVE COMPENSATION AND BENEFITS STRATEGY.
- IDENTIFY AND RETAIN APPROPRIATE OUTSIDE ADVISORS INCLUDING LEGAL COUNSEL, COMPENSATION CONSULTANTS AND OTHERS WHO ARE RESPONSIBLE FOR PROVIDING THE COMMITTEE WITH OBJECTIVE ADVICE.
- ANNUALLY REVIEW AND APPROVE KENT GOALS AND OBJECTIVES FOR THE CEO; EVALUATE THE CEO'S PERFORMANCE REGARDING THESE GOALS; RECOMMEND BASE SALARY; AND THE ANNUAL INCENTIVE AWARD BASED ON KENT AND INDIVIUAL PERFORMANCE.
- ANNUALLY REVIEW THE CEO'S COMPENSATION RECOMMENDATIONS FOR KENT EXECUTIVE POSITIONS REPORTING TO THE CEO.
- PERIODICALLY REVIEW AND APPROVE OTHER IMPORTANT COMPENSATION ELEMENTS FOR THE CEO AND OTHER EXECUTIVES INCLUDING EMPLOYMENT CONTRACT AND TERM, PERQUISITES, RETIREMENT PROGRAMS, AND THE LIKE.
- REVIEW AND APPROVE OBJECTIVS AND GOALS FOR NEW AND CHANGES TO EXISTING COMPENSATION PLANS.
- REVIEW THIS CHARTER PERIODICALLY TO ENSURE IT IS IN COMPLIANCE WITH ALL REGULATIONS, AND RECOMMEND APPROPRIATE CHANGES TO THE BOARD.

MINUTES/DOCUMENTATION

THE COMMITTEE KEEPS WRITTEN MINUTES AND OTHER RELEVANT RECORDS OF EACH MEETING. THE MINUTES ARE SUBJECT TO APPROVAL BY THE COMMITTEE MEMBERS AND, ONCE APPROVED, WILL BE MAINTAINED WITH THE RECORDS OF KENT.

RIDOH 1969

Name of the organization	Employer identification number
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

CARE NEW ENGLAND HEALTH SYSTEM (CNE) EMPLOYEES ARE SUBJECT TO REVIEW BY THE BOARD OF DIRECTORS OF CNE. CNE HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES FOR THE TOTAL COMPENSATION PROGRAM FOR CNE EXECUTIVES.

YEAR IN WHICH PROCESS WAS LAST UNDERTAKEN - ANNUALLY.

RIDOH 1970

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

KENT HOSPITAL'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

RIDOH 1971

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FINANCIAL STATEMENTS

FORM 990, PART XI

KENT COUNTY MEMORIAL HOSPITAL'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT, AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CARE NEW ENGLAND AUDIT COMMITTEE.

RIDOH 1972

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

FUNDRAISING EXPENSES

SCHEDULE B

CONTRIBUTIONS RELATED TO FUNDRAISING EXPENSES REPORTED ON THE RETURN ARE RECORDED ON THE KENT HOSPITAL FOUNDATION RETURN (EIN: 05-0514640).

RIDOH 1973

Name of the organization: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

DISTINGUISHING PYMTS FOR PROF. FUNDRAISING SVCS FROM EXP PYMT OR REIMB

SCHEDULE G, PART I, COL V

SEASIDE PHILANTHROPY IS AN ARRANGEMENT WHERE WE CONTRACT WITH AN

INDIVIDUAL TO DO GRANT WRITING AT $100/HOUR.

RIDOH 1974

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
KENT ANCILLIARY SERVICES, INC. 56-2420959 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTH CARE	RI	3,076,018.	NONE	KCMH

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
SEE SCHEDULE R-1					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

JSA
8E1307 1.000

RIDOH 1975

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
TOLL GATE INDEMNITY, LTD 34-2028514 455 TOLL GATE ROAD WARWICK, RI 02886	INSURANCE	CJ	KCMH	C	4,424,127.	25,874,139.	100.0000
W&I INDEMNITY, LTD 98-0159342 300 RICHMOND STREET PROVIDENCE, RI 02903	INSURANCE	CJ	N/A	C			

Part V Transactions With Related Organizations

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV.			
1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j		X
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n	X	
o Reimbursement paid to other organization for expenses	1o	X	
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q		X
r Other transfer of cash or property from other organization(s)	1r	X	

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1)	SEE SCHEDULE R-1		
(2)			
(3)			
(4)			
(5)			
(6)			

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 1978

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITNG NURS	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 05-0258937 300 RICHMOND STREET PROVIDENCE, RI 02903	HOSPITAL	RI	501(C)(3)	3	WIC

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount on box 20 of K-1	(J) General or managing partner? Yes	(J) No

RIDOH 1980

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7) BUTLER HOSPITAL	N	-730,817.
(8) BUTLER HOSPITAL	O	-9,134,998.
(9) BUTLER HOSPITAL	P	154,561.
(10) VNA OF CARE NEW ENGLAND	N	1,405,115.
(11) VNA OF CARE NEW ENGLAND	O	-66,483.
(12) VNA OF CARE NEW ENGLAND	P	426,479.
(13) WOMEN & INFANTS HOSPITAL	N	-241,888.
(14) WOMEN & INFANTS HOSPITAL	O	-411,119.
(15) WOMEN & INFANTS HOSPITAL	P	492,103.
(16) KENT HOSPITAL FOUNDATION	R	1,738,292.
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

FORM 990, PART III - PROGRAM SERVICES

4A PROGRAM SERVICE

KENT HOSPITAL IS A 359 BED FACILITY WHICH PROVIDES A WIDE RANGE OF SERVICES FOR THE ACUTE CARE OF PATIENTS (INCLUDING LOW-INCOME AND INDIGENT INDIVIDUALS), INCLUDING MEDICAL AND SURGICAL, OBSTETRICAL, CANCER, PEDIATRIC, PSYCHIATRIC, AND CARDIAC INTENSIVE CARE SERVICES. THE HOSPITAL IS ACCREDITED BY THE JOINT COMMISSION (TJC), COMMISSION ON ACCREDITATION OF REHABILITATION FACILITIES (CARF), AND PARTICIPATES AS A PROVIDER IN MEDICARE, BLUE CROSS, MEDICAID, AND OTHER INSURANCE PROGRAMS. THE HOSPITAL IS ALSO A MEMBER OF VOLUNTARY HOSPITALS OF AMERICA, INC. (VHA). DURING 2008, THE HOSPITAL RECEIVED APPROVAL FROM THE AMERICAN OSTEOPATHIC ASSOCIATION TO ESTABLISH TWO NEW RESIDENCY PROGRAMS. IN JULY 2008, THE HOSPITAL WELCOMED ITS FIRST GROUP OF RESIDENTS INTO THE EMERGENCY MEDICINE AND FAMILY PRACTICE RESIDENCY PROGRAMS. THE HOSPITAL IS ALSO AFFILIATED WITH THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE ("UNECOM"). THE HOSPITAL IS A CLINICAL TRAINING CENTER FOR UNECOM STUDENTS. THE HOSPITAL WORKS CLOSELY WITH OTHER HOSPITALS, HEALTH CLINICS, SENIOR CENTERS, AND HEALTH AGENCIES TO COORDINATE PROGRAMS FOR THE COMMUNITY. AS THE SECOND LARGEST HOSPITAL IN RHODE ISLAND, KENT HOSPITAL PROVIDES A FULL COMPLEMENT OF INPATIENT SERVICES, INCLUDING: CARDIOLOGY AND EXTENDED CORONARY CARE, INFECTION DISEASE, PRIMARY CARE, ONCOLOGY, ORTHOPEDICS, OBSTETRICS AND GYNECOLOGY, PEDIATRICS, REHABILITATION AND SURGERY. IN ADDITION, THE HOSPITAL OFFERS A COMPREHENSIVE RANGE OF OUTPATIENT SERVICES INCLUDING CARDIAC CATHERIZATION, CHEMOTHERAPY, DIAGNOSTIC IMAGING, SURGERY, AND REHABILITATION SERVICES. KENT ALSO OPERATES A WOMEN'S DIAGNOSTIC IMAGING CENTER, WOUND RECOVERY CENTER, AND PROVIDES LABORATORY, AND PRIMARY CARE SERVICES AT VARIOUS SITES THROUGHOUT THE COMMUNITY. A BROAD RANGE OF EDUCATION CLASSES AND SUPPORT GROUPS ARE OFFERED AT KENT. KENT'S EMERGENCY DEPARTMENT, OPEN 24 HOURS A DAY, SEVEN DAYS A WEEK, IS STAFFED BY BOARD-CERTIFIED PHYSICIANS AND CERTIFIED EMERGENCY NURSES. THE HOSPITAL MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE IT PROVIDES. THE LEVEL OF CHARITY CARE PROVIDED DURING THE YEAR ENDED SEPTEMBER 30, 2009: $10,863,000 OF REVENUES FORGONE, BASED ON ESTABLISHED RATES AND $3,634,000 OF ESTIMATED COSTS AND EXPENSES INCURRED TO PROVIDE CHARITY CARE. THE HOSPITAL ALSO PROVIDES SERVICES TO OTHER INDIGENT PATIENTS UNDER THE MEDICAID/RITE CARE PROGRAM, WHICH REIMBURSES HEALTHCARE PROVIDERS AT AMOUNTS WHICH ARE LESS THAN THE COST OF SERVICES PROVIDED TO RECIPIENTS. THE HOSPITAL PROVIDED SERVICES OF $21,155,000 FOR UNCOLLECTIBLE PATIENT ACCOUNTS DURING THE YEAR ENDED SEPTEMBER 30, 2009. THE HOSPITAL PROVIDES NUMEROUS OTHER SERVICES FREE OF CHARGE TO THE COMMUNITY FOR WHICH CHARGES

RIDOH 1983

FORM 990, PART III - PROGRAM SERVICES

ARE NOT GENERATED AND REVENUES HAVE NOT BEEN ACCOUNTED FOR IN THE FINANCIAL STATEMENTS. THESE SERVICES INCLUDE INTERPRETATION OF MEDICAL INFORMATION INTO VARIOUS LANGUAGES, PHYSICIAN REFERRAL SERVICES, HEALTH CARE SCREENING, COMMUNITY SUPPORT GROUPS, HEALTH EDUCATIONAL PROGRAMS, PHYSICIAN SERVICES, GENERAL COMMUNITY BENEFIT SERVICES SUCH AS DISASTER RELIEF, AND SUPPORT OF OTHER NOT-FOR-PROFIT AGENCIES.

RIDOH 1984

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
KEN JONES CONSTRUCTION, INC 50 HARRY L. ANDREWS ROAD WEST GREENWICH, RI 02817	GENERAL CONSTRUCTION	1,864,778.
O'GRADY PEYTON INTERNATIONAL 4 MALL COURT, SUITE A SAVANNAH, GA 31406	HEALTH CARE SERVICES	1,328,461.
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LAUNDRY SERVICE	1,024,113.
FASTAFF 6501 S FIDDLERS GREEN, SUITE 200 GREENWOOD VILLAGE, CO 80111	HEALTH CARE SERVICES	885,891.
MAYO MEDICAL LABORATORIES P.O. BOX 4100 ROCHESTER, MN 55903	REFERENCE LAB SVCS	725,613.
TOTAL COMPENSATION		5,828,856.

RIDOH 1985

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990-T** Department of the Treasury Internal Revenue Service

Exempt Organization Business Income Tax Return (and proxy tax under section 6033(e))

For calendar year 2008 or other tax year beginning 10/01, 2008, and ending 09/30, 2009. ▶ See separate instructions.

OMB No 1545-0687

2008

Open to Public Inspection for 501(c)(3) Organizations Only

A [ ] Check box if address changed

B Exempt under section
[X] 501(C)(3)
[ ] 408(e) [ ] 220(e)
[ ] 408A [ ] 530(a)
[ ] 529(a)

C Book value of all assets at end of year
147,011,984.

Print or Type

Name of organization ([ ] Check box if name changed and see instructions.)
KENT COUNTY MEMORIAL HOSPITAL

Number, street, and room or suite no. If a P.O. box, see page 9 of instructions.
455 TOLL GATE ROAD

City or town, state, and ZIP code
WARWICK, RI 02886

D Employer identification number (Employees' trust, see instructions for Block D on page 9)
05-0258896

E Unrelated business activity codes (See instructions for Block E on page 9)
812900

F Group exemption number (See instructions for Block F on page 9.) ▶

G Check organization type ▶ [X] 501(c) corporation [ ] 501(c) trust [ ] 401(a) trust [ ] Other trust

H Describe the organization's primary unrelated business activity. ▶ SEE STATEMENT 1

I During the tax year, was the corporation a subsidiary in an affiliated group or a parent-subsidiary controlled group? ▶ [X] Yes [ ] No
If "Yes," enter the name and identifying number of the parent corporation. ▶ SEE STATEMENT 2

J The books are in care of ▶ JAMES M. BURKE Telephone number ▶ 401-737-8885

Part I Unrelated Trade or Business Income		(A) Income	(B) Expenses	(C) Net
1a Gross receipts or sales 11,549,148. b Less returns and allowances 8,816,241. c Balance ▶	1c	2,732,907.	STMT 2A	
2 Cost of goods sold (Schedule A, line 7)	2			
3 Gross profit. Subtract line 2 from line 1c	3	2,732,907.		2,732,907.
4a Capital gain net income (attach Schedule D)	4a			
b Net gain (loss) (Form 4797, Part II, line 17) (attach Form 4797)	4b			
c Capital loss deduction for trusts	4c			
5 Income (loss) from partnerships and S corporations (attach statement)	5			
6 Rent income (Schedule C)	6			
7 Unrelated debt-financed income (Schedule E)	7			
8 Interest, annuities, royalties, and rents from controlled organizations (Schedule F)	8			
9 Investment income of a section 501(c)(7), (9), or (17) organization (Schedule G)	9			
10 Exploited exempt activity income (Schedule I)	10			
11 Advertising income (Schedule J)	11			
12 Other income (See page 11 of the instructions; attach schedule.)	12			
13 **Total.** Combine lines 3 through 12	13	2,732,907.		2,732,907.

Part II Deductions Not Taken Elsewhere (See page 11 of the instructions for limitations on deductions.) (Except for contributions, deductions must be directly connected with the unrelated business income.)			
14 Compensation of officers, directors, and trustees (Schedule K)		14	
15 Salaries and wages		15	699,999.
16 Repairs and maintenance		16	14,706.
17 Bad debts		17	
18 Interest (attach schedule)		18	
19 Taxes and licenses		19	
20 Charitable contributions (See page 13 of the instructions for limitation rules.)		20	
21 Depreciation (attach Form 4562)	21 28,250.		
22 Less depreciation claimed on Schedule A and elsewhere on return	22a	22b	28,250.
23 Depletion		23	
24 Contributions to deferred compensation plans		24	
25 Employee benefit programs		25	212,608.
26 Excess exempt expenses (Schedule I)		26	
27 Excess readership costs (Schedule J)		27	
28 Other deductions (attach schedule) SEE STATEMENT 3		28	1,343,339.
29 **Total deductions.** Add lines 14 through 28		29	2,298,902.
30 Unrelated business taxable income before net operating loss deduction. Subtract line 29 from line 13		30	434,005.
31 Net operating loss deduction (limited to the amount on line 30) STMT 4		31	434,005.
32 Unrelated business taxable income before specific deduction. Subtract line 31 from line 30		32	
33 Specific deduction (Generally $1,000, but see line 33 instructions for exceptions.)		33	1,000.
34 **Unrelated business taxable income.** Subtract line 33 from line 32. If line 33 is greater than line 32, enter the smaller of zero or line 32		34	NONE

RIDOH 1987

Part III Tax Computation

35	**Organizations Taxable as Corporations.** See instructions for tax computation on page 15. Controlled group members (sections 1561 and 1563) check here ▶ [X] **See instructions** and		
a	Enter your share of the $50,000, $25,000, and $9,925,000 taxable income brackets (in that order): (1) NONE (2) NONE (3) NONE		
b	Enter organization's share of: **(1)** Additional 5% tax (not more than $11,750)		
	(2) Additional 3% tax (not more than $100,000)		
c	Income tax on the amount on line 34 ▶	35c	NONE
36	**Trusts Taxable at Trust Rates.** See instructions for tax computation on page 16. Income tax on the amount on line 34 from: [ ] Tax rate schedule or [ ] Schedule D (Form 1041) ▶	36	
37	**Proxy tax.** See page 16 of the instructions ▶	37	
38	Alternative minimum tax	38	680.
39	**Total.** Add lines 37 and 38 to line 35c or 36, whichever applies	39	680.

Part IV Tax and Payments

40a	Foreign tax credit (corporations attach Form 1118; trusts attach Form 1116)	40a			
b	Other credits (see page 17 of the instructions)	40b			
c	General business credit. Attached Form 3800	40c			
d	Credit for prior year minimum tax (attach Form 8801 or 8827)	40d			
e	**Total credits.** Add lines 40a through 40d			40e	
41	Subtract line 40e from line 39			41	680.
42	Other taxes. Check if from: [ ] Form 4255 [ ] Form 8611 [ ] Form 8697 [ ] Form 8866 [ ] Other (attach schedule)			42	
43	**Total tax.** Add lines 41 and 42			43	680.
44a	Payments: A 2007 overpayment credited to 2008	44a			
b	2008 estimated tax payments	44b			
c	Tax deposited with Form 8868	44c			
d	Foreign organizations: Tax paid or withheld at source (see instructions)	44d			
e	Backup withholding (see instructions)	44e			
f	Other credits and payments: [ ] Form 2439 [ ] Form 4136 [ ] Other Total ▶	44f			
45	**Total payments.** Add lines 44a through 44f			45	NONE
46	Estimated tax penalty (see page 4 of the instructions). Check if Form 2220 is attached ▶ [ ]			46	22.
47	**Tax due.** If line 45 is less than the total of lines 43 and 46, enter amount owed ▶			47	702.
48	**Overpayment.** If line 45 is larger than the total of lines 43 and 46, enter amount overpaid ▶			48	NONE
49	Enter the amount of line 48 you want: **Credited to 2009 estimated tax** ▶ NONE **Refunded** ▶			49	NONE

Part V Statements Regarding Certain Activities and Other Information (see instructions on page 18)

		Yes	No
1	At any time during the 2008 calendar year, did the organization have an interest in or a signature or other authority over a financial account (bank, securities, or other) in a foreign country? If YES, the organization may have to file Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts. If YES, enter the name of the foreign country here ▶ IRELAND, BERMUDA, CAYMAN I	X	
2	During the tax year, did the organization receive a distribution from, or was it the grantor of, or transferor to, a foreign trust? If YES, see page 5 of the instructions for other forms the organization may have to file.		X
3	Enter the amount of tax-exempt interest received or accrued during the tax year ▶ $		

Schedule A - Cost of Goods Sold. Enter method of inventory valuation ▶

1	Inventory at beginning of year	1		6	Inventory at end of year	6	
2	Purchases	2		7	**Cost of goods sold.** Subtract line 6 from line 5. Enter here and in Part I, line 2	7	
3	Cost of labor	3					
4a	Additional section 263A costs (attach schedule)	4a		8	Do the rules of section 263A (with respect to property produced or acquired for resale) apply to the organization?	Yes	X
b	Other costs (attach schedule)	4b					
5	**Total.** Add lines 1 through 4b	5					

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge.

Signature of officer | Date | Title

May the IRS discuss this return with the preparer shown below (see instructions)? [ ] Yes [X] No

Paid Preparer's Use Only

Preparer's signature	Susan Dull	Date 8/4/2010	Check if self-employed [ ]
Preparer's SSN or PTIN	P00233523		
Firm's name (or yours if self-employed), address, and ZIP code	ERNST & YOUNG U.S. LLP 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601	EIN	34-6565596
		Phone no.	864-242-5740

Form **990-T** (2008)

JSA

8E1620 3.000

4IV0M1 F227 V08-8.3 10868786

RIDOH 1988

Schedule C - Rent Income (From Real Property and Personal Property Leased With Real Property)
(see instructions on page 19)

1 Description of property

(1)
(2)
(3)
(4)

	2 Rent received or accrued	
	(a) From personal property (if the percentage of rent for personal property is more than 10% but not more than 50%)	(b) From real and personal property (if the percentage of rent for personal property exceeds 50% or if the rent is based on profit or income)
(1)		
(2)		
(3)		
(4)		
Total		Total

3(a) Deductions directly connected with the income in columns 2(a) and 2(b) (attach schedule)

(1)
(2)
(3)
(4)

(c) **Total income.** Add totals of columns 2(a) and 2(b). Enter here and on page 1, Part I, line 6, column (A) . . . . . ▶

(b) **Total deductions.** Enter here and on page 1, Part I, line 6, column (B) . . . ▶

Schedule E - Unrelated Debt-Financed Income (see instructions on page 19)

1 Description of debt-financed property	2 Gross income from or allocable to debt-financed property	3 Deductions directly connected with or allocable to debt-financed property	
		(a) Straight line depreciation (attach schedule)	(b) Other deductions (attach schedule)
(1)			
(2)			
(3)			
(4)			

4 Amount of average acquisition debt on or allocable to debt-financed property (attach schedule)	5 Average adjusted basis of or allocable to debt-financed property (attach schedule)	6 Column 4 divided by column 5	7 Gross income reportable (column 2 x column 6)	8 Allocable deductions (column 6 x total of columns 3(a) and 3(b))
(1)		%		
(2)		%		
(3)		%		
(4)		%		
			Enter here and on page 1, Part I, line 7, column (A).	Enter here and on page 1, Part I, line 7, column (B).

Totals . . . . . ▶

Total dividends-received deductions included in column 8 . . . . . ▶

Schedule F - Interest, Annuities, Royalties, and Rents From Controlled Organizations (see instructions on page 20)

1 Name of controlled organization	2 Employer identification number	Exempt Controlled Organizations			
		3 Net unrelated income (loss) (see instructions)	4 Total of specified payments made	5 Part of column 4 that is included in the controlling organization's gross income	6 Deductions directly connected with income in column 5
(1)					
(2)					
(3)					
(4)					

Nonexempt Controlled Organizations

7 Taxable Income	8 Net unrelated income (loss) (see instructions)	9 Total of specified payments made	10 Part of column 9 that is included in the controlling organization's gross income	11 Deductions directly connected with income in column 10
(1)				
(2)				
(3)				
(4)				
			Add columns 5 and 10. Enter here and on page 1, Part I, line 8, column (A).	Add columns 6 and 11. Enter here and on page 1, Part I, line 8, column (B).

Totals . . . . . ▶

RIDOH 1989

Schedule G - Investment Income of a Section 501(c)(7), (9), or (17) Organization (see instructions on page 21)

1 Description of income	2 Amount of income	3 Deductions directly connected (attach schedule)	4 Set-asides (attach schedule)	5 Total deductions and set-asides (col. 3 plus col. 4)
(1)				
(2)				
(3)				
(4)				
Totals ▶	Enter here and on page 1, Part I, line 9, column (A).			Enter here and on page 1, Part I, line 9, column (B).

Schedule I - Exploited Exempt Activity Income, Other Than Advertising Income (see instructions on page 21)

1 Description of exploited activity	2 Gross unrelated business income from trade or business	3 Expenses directly connected with production of unrelated business income	4 Net income (loss) from unrelated trade or business (column 2 minus column 3). If a gain, compute cols. 5 through 7.	5 Gross income from activity that is not unrelated business income	6 Expenses attributable to column 5	7 Excess exempt expenses (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals ▶	Enter here and on page 1, Part I, line 10, col. (A).	Enter here and on page 1, Part I, line 10, col. (B).				Enter here and on page 1, Part II, line 26.

Schedule J - Advertising Income (see instructions on page 21)

Part I Income From Periodicals Reported on a Consolidated Basis

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
Totals (carry to Part II, line (5)) ▶						

Part II Income From Periodicals Reported on a Separate Basis (For each periodical listed in Part II, fill in columns 2 through 7 on a line-by-line basis.)

1 Name of periodical	2 Gross advertising income	3 Direct advertising costs	4 Advertising gain or (loss) (col. 2 minus col. 3). If a gain, compute cols. 5 through 7.	5 Circulation income	6 Readership costs	7 Excess readership costs (column 6 minus column 5, but not more than column 4).
(1)						
(2)						
(3)						
(4)						
(5) Totals from Part I						
Totals, Part II (lines 1-5) ▶	Enter here and on page 1, Part I, line 11, col. (A).	Enter here and on page 1, Part I line 11, col. (B).				Enter here and on page 1, Part II, line 27.

Schedule K - Compensation of Officers, Directors, and Trustees (see instructions on page 22)

1 Name	2 Title	3 Percent of time devoted to business	4 Compensation attributable to unrelated business
		%	
		%	
		%	
		%	
Total. Enter here and on page 1, Part II, line 14 ▶			

RIDOH 1990

Form **4562**

Department of the Treasury
Internal Revenue Service (99)

Depreciation and Amortization
(Including Information on Listed Property)

▶ See separate instructions. ▶ Attach to your tax return.

OMB No. 1545-0172

2008

Attachment Sequence No. **67**

Name(s) shown on return

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

Business or activity to which this form relates

GENERAL DEPRECIATION

Part I Election To Expense Certain Property Under Section 179

Note: *If you have any listed property, complete Part V before you complete Part I.*

1	Maximum amount. See the instructions for a higher limit for certain businesses	1	
2	Total cost of section 179 property placed in service (see instructions)	2	
3	Threshold cost of section 179 property before reduction in limitation (see instructions)	3	
4	Reduction in limitation. Subtract line 3 from line 2. If zero or less, enter -0-	4	
5	Dollar limitation for tax year. Subtract line 4 from line 1. If zero or less, enter -0- If married filing separately, see instructions	5	

	(a) Description of property	(b) Cost (business use only)	(c) Elected cost
6			
7	Listed property. Enter the amount from line 29	7	
8	Total elected cost of section 179 property. Add amounts in column (c), lines 6 and 7	8	
9	Tentative deduction. Enter the **smaller** of line 5 or line 8	9	
10	Carryover of disallowed deduction from line 13 of your 2007 Form 4562	10	
11	Business income limitation. Enter the smaller of business income (not less than zero) or line 5 (see instructions)	11	
12	Section 179 expense deduction. Add lines 9 and 10, but do not enter more than line 11	12	
13	Carryover of disallowed deduction to 2009. Add lines 9 and 10, less line 12 ▶	13	

Note: *Do not use Part II or Part III below for listed property. Instead, use Part V.*

Part II Special Depreciation Allowance and Other Depreciation (Do not include listed property.) (See instructions.)

14	Special depreciation allowance for qualified property (other than listed property) placed in service during the tax year (see instructions)	14	
15	Property subject to section 168(f)(1) election	15	
16	Other depreciation (including ACRS)	16	28,250.

Part III MACRS Depreciation (Do not include listed property.) (See instructions.)

Section A

17	MACRS deductions for assets placed in service in tax years beginning before 2008	17	
18	If you are electing to group any assets placed in service during the tax year into one or more general asset accounts, check here ▶ ☐		

Section B - Assets Placed in Service During 2008 Tax Year Using the General Depreciation System

	(a) Classification of property	(b) Month and year placed in service	(c) Basis for depreciation (business/investment use only - see instructions)	(d) Recovery period	(e) Convention	(f) Method	(g) Depreciation deduction
19a	3-year property						
b	5-year property						
c	7-year property						
d	10-year property						
e	15-year property						
f	20-year property						
g	25-year property			25 yrs.		S/L	
h	Residential rental property			27.5 yrs.	MM	S/L	
				27.5 yrs.	MM	S/L	
i	Nonresidential real property			39 yrs.	MM	S/L	
					MM	S/L	

Section C - Assets Placed in Service During 2008 Tax Year Using the Alternative Depreciation System

20a	Class life					S/L	
b	12-year			12 yrs.		S/L	
c	40-year			40 yrs.	MM	S/L	

Part IV Summary (See instructions.)

21	Listed property. Enter amount from line 28	21	
22	**Total.** Add amounts from line 12, lines 14 through 17, lines 19 and 20 in column (g), and line 21. Enter here and on the appropriate lines of your return. Partnerships and S corporations - see instr.	22	28,250.
23	For assets shown above and placed in service during the current year, enter the portion of the basis attributable to section 263A costs	23	

RIDOH 1991

Part V **Listed Property** (Include automobiles, certain other vehicles, cellular telephones, certain computers, and property used for entertainment, recreation, or amusement.)

Note: *For any vehicle for which you are using the standard mileage rate or deducting lease expense, complete* ***only*** *24a, 24b, columns (a) through (c) of Section A, all of Section B, and Section C if applicable.*

Section A - Depreciation and Other Information (Caution: *See the instructions for limits for passenger automobiles.*)

24a Do you have evidence to support the business/investment use claimed? ☐ Yes ☒ No 24b If "Yes," is the evidence written? ☐ Yes ☒ No

(a) Type of property (list vehicles first)	(b) Date placed in service	(c) Business/ investment use percentage	(d) Cost or other basis	(e) Basis for depreciation (business/investment use only)	(f) Recovery period	(g) Method/ Convention	(h) Depreciation deduction	(i) Elected section 179 cost
25 Special depreciation allowance for qualified listed property placed in service during the tax year and used more than 50% in a qualified business use (see instructions)						25		
26 Property used more than 50% in a qualified business use:								
		%						
		%						
		%						
27 Property used 50% or less in a qualified business use:								
		%				S/L -		
		%				S/L -		
		%				S/L -		
28 Add amounts in column (h), lines 25 through 27. Enter here and on line 21, page 1						28		
29 Add amounts in column (i), line 26. Enter here and on line 7, page 1							29	

Section B - Information on Use of Vehicles

Complete this section for vehicles used by a sole proprietor, partner, or other "more than 5% owner," or related person.
If you provided vehicles to your employees, first answer the questions in Section C to see if you meet an exception to completing this section for those vehicles.

	(a) Vehicle 1		(b) Vehicle 2		(c) Vehicle 3		(d) Vehicle 4		(e) Vehicle 5		(f) Vehicle 6	
30 Total business/investment miles driven during the year (**do not** include commuting miles)												
31 Total commuting miles driven during the year												
32 Total other personal (noncommuting) miles driven												
33 Total miles driven during the year. Add lines 30 through 32												
	Yes	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**	**Yes**	**No**
34 Was the vehicle available for personal use during off-duty hours?												
35 Was the vehicle used primarily by a more than 5% owner or related person?												
36 Is another vehicle available for personal use?												

Section C - Questions for Employers Who Provide Vehicles for Use by Their Employees

Answer these questions to determine if you meet an exception to completing Section B for vehicles used by employees who **are not** more than 5% owners or related persons (see instructions).

	Yes	No
37 Do you maintain a written policy statement that prohibits all personal use of vehicles, including commuting, by your employees?		
38 Do you maintain a written policy statement that prohibits personal use of vehicles, except commuting, by your employees? See the instructions for vehicles used by corporate officers, directors, or 1% or more owners		
39 Do you treat all use of vehicles by employees as personal use?		
40 Do you provide more than five vehicles to your employees, obtain information from your employees about the use of the vehicles, and retain the information received?		
41 Do you meet the requirements concerning qualified automobile demonstration use? (See instructions.)		

Note: *If your answer to 37, 38, 39, 40, or 41 is "Yes," do not complete Section B for the covered vehicles.*

Part VI Amortization

(a) Description of costs	(b) Date amortization begins	(c) Amortizable amount	(d) Code section	(e) Amortization period or percentage	(f) Amortization for this year
42 Amortization of costs that begins during your 2008 tax year (see instructions):					
43 Amortization of costs that began before your 2008 tax year				43	
44 **Total.** Add amounts in column (f). See the instructions for where to report				44	

RIDOH 1992

Form **4626**

Department of the Treasury
Internal Revenue Service

Alternative Minimum Tax - Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0175

2008

Name: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

Part I Alternative Minimum Tax Computation

Note: *See the instructions to find out if the corporation is a small corporation exempt from the alternative minimum tax (AMT) under section 55(e).*

1	Taxable income or (loss) before net operating loss deduction		1	434,005.00
2	**Adjustments and preferences:**			
a	Depreciation of post-1986 property		2a	
b	Amortization of certified pollution control facilities		2b	
c	Amortization of mining exploration and development costs		2c	
d	Amortization of circulation expenditures (personal holding companies only)		2d	
e	Adjusted gain or loss		2e	
f	Long-term contracts		2f	
g	Merchant marine capital construction funds		2g	
h	Section 833(b) deduction (Blue Cross, Blue Shield, and similar type organizations only)		2h	
i	Tax shelter farm activities (personal service corporations only)		2i	
j	Passive activities (closely held corporations and personal service corporations only)		2j	
k	Loss limitations		2k	
l	Depletion		2l	
m	Tax-exempt interest income from specified private activity bonds		2m	
n	Intangible drilling costs		2n	
o	Other adjustments and preferences		2o	
3	Pre-adjustment alternative minimum taxable income (AMTI). Combine lines 1 through 2o		3	434,005.00
4	**Adjusted current earnings (ACE) adjustment:**			
a	ACE from line 10 of the ACE worksheet in the instructions	4a: 434,005.00		
b	Subtract line 3 from line 4a. If line 3 exceeds line 4a, enter the difference as a negative amount (see instructions)	4b:		
c	Multiply line 4b by 75% (.75). Enter the result as a positive amount	4c:		
d	Enter the excess, if any, of the corporation's total increases in AMTI from prior year ACE adjustments over its total reductions in AMTI from prior year ACE adjustments (see instructions). **Note:** *You **must** enter an amount on line 4d (even if line 4b is positive)*	4d:		
e	ACE adjustment. • If line 4b is zero or more, enter the amount from line 4c • If line 4b is less than zero, enter the **smaller** of line 4c or line 4d as a negative amount		4e	
5	Combine lines 3 and 4e. If zero or less, stop here; the corporation does not owe any AMT		5	434,005.00
6	Alternative tax net operating loss deduction (see instructions) STMT 4A		6	390,605.00
7	**Alternative minimum taxable income.** Subtract line 6 from line 5. If the corporation held a residual interest in a REMIC, see instructions		7	43,400.00
8	**Exemption phase-out** (if line 7 is $310,000 or more, skip lines 8a and 8b and enter -0- on line 8c):			
a	Subtract $150,000 from line 7 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-	8a:		
b	Multiply line 8a by 25% (.25)	8b:		
c	Exemption. Subtract line 8b from $40,000 (if completing this line for a member of a controlled group, see instructions). If zero or less, enter -0-		8c	40,000.00
9	Subtract line 8c from line 7. If zero or less, enter -0-		9	3,400.00
10	If the corporation had qualified timber gain, complete Part II and enter the amount from line 24 here. Otherwise, multiply line 9 by 20% (.20)		10	680.00
11	Alternative minimum tax foreign tax credit (AMTFTC) (see instructions)		11	
12	Tentative minimum tax. Subtract line 11 from line 10		12	680.00
13	Regular tax liability before applying all credits except the foreign tax credit		13	NONE
14	**Alternative minimum tax.** Subtract line 13 from line 12. If zero or less, enter -0-. Enter here and on Form 1120, Schedule J, line 3, or the appropriate line of the corporation's income tax return		14	680.00

Part II **Alternative Tax for Corporations with Qualified Timber Gain.** *Complete Part II* **only** *if the corporation had qualified timber gain under section 1201(b). See instructions.*

15	Enter qualified timber gain from Schedule D (Form 1120), line 15, as refigured for the AMT, if necessary. If you are filing Form 1120-RIC, see instructions for the amount to enter	**15**	
16	Enter the amount from ScheduleD (Form 1120), line 13, as refigured for the AMT, if necessary	**16**	
17	Enter the amount from Part I, line 9	**17**	
18	Enter the **smallest** of the amount on line 15, line 16, or line 17	**18**	
19	Multiply line 18 by 15% (.15)	**19**	
20	Subtract line 18 from line 17	**20**	
21	Multiply line 20 by 20% (.20)	**21**	
22	Enter the total of line 19 and line 21	**22**	
23	Multiply line 17 by 20% (.20)	**23**	
24	Enter the **smaller** of line 22 or line 23 here and on part I, line 10	**24**	

RIDOH 1994

Adjusted Current Earnings (ACE) Worksheet

▶ See ACE Worksheet Instructions (which begin on page 8).

1	Pre-adjustment AMTI. Enter the amount from line 3 of Form 4626			1	434,005.00
2	ACE depreciation adjustment:				
a	AMT depreciation	2a			
b	ACE depreciation:				
(1)	Post-1993 property	2b(1)			
(2)	Post-1989, pre-1994 property	2b(2)			
(3)	Pre-1990 MACRS property	2b(3)			
(4)	Pre-1990 original ACRS property	2b(4)			
(5)	Property described in sections 168(f)(1) through (4)	2b(5)			
(6)	Other property	2b(6)			
(7)	Total ACE depreciation. Add lines 2b(1) through 2b(6)		2b(7)		
c	ACE depreciation adjustment. Subtract line 2b(7) from line 2a			2c	NONE
3	Inclusion in ACE of items included in earnings and profits (E&P):				
a	Tax-exempt interest income	3a			
b	Death benefits from life insurance contracts	3b			
c	All other distributions from life insurance contracts (including surrenders)	3c			
d	Inside buildup of undistributed income in life insurance contracts	3d			
e	Other items (see Regulations sections 1.56(g)-1(c)(6)(iii) through (ix) for a partial list)	3e			
f	Total increase to ACE from inclusion in ACE of items included in E&P. Add lines 3a through 3e			3f	NONE
4	Disallowance of items not deductible from E&P:				
a	Certain dividends received	4a			
b	Dividends paid on certain preferred stock of public utilities that are deductible under section 247	4b			
c	Dividends paid to an ESOP that are deductible under section 404(k)	4c			
d	Nonpatronage dividends that are paid and deductible under section 1382(c)	4d			
e	Other items (see Regulations sections 1.56(g)-1(d)(3)(i) and (ii) for a partial list)	4e			
f	Total increase to ACE because of disallowance of items not deductible from E&P. Add lines 4a through 4e			4f	NONE
5	Other adjustments based on rules for figuring E&P:				
a	Intangible drilling costs	5a			
b	Circulation expenditures	5b			
c	Organizational expenditures	5c			
d	LIFO inventory adjustments	5d			
e	Installment sales	5e			
f	Total other E&P adjustments. Combine lines 5a through 5e			5f	NONE
6	Disallowance of loss on exchange of debt pools			6	NONE
7	Acquisition expenses of life insurance companies for qualified foreign contracts			7	NONE
8	Depletion			8	NONE
9	Basis adjustments in determining gain or loss from sale or exchange of pre-1994 property			9	NONE
10	**Adjusted current earnings.** Combine lines 1, 2c, 3f, 4f, and 5f through 9. Enter the result here and on line 4a of Form 4626			10	434,005.00

ORGANIZATION'S PRIMARY UNRELATED BUSINESS ACTIVITY.

OTHER MEDICAL SERVICES INCLUDING OUTSIDE BILLING SERVICES AND ANSWERING SERVICES AND NON-PATIENT LABORATORY TESTING.

NAME AND FEIN OF PARENT CORPORATION

CARE NEW ENGLAND HEALTH SYSTEM 05-0490997

RIDOH 1997

KENT COUNTY MEMORIAL HOSPITAL 05-0258896
YEAR ENDED SEPTEMBER 30, 2009

FORM 990-T - PART I, LINE 1c - Net Receipts or Sales

Laboratory Services	2,571,772
Answering Services	161,135
	2,732,907

STATEMENT 2A

RIDOH 1998

FORM 990T - PART II - LINE 28 - TOTAL OTHER DEDUCTIONS

SUPPLIES	463,934.
PURCHASED SERVICES	345,835.
UTILITIES	40,952.
ADMINISTRATIVE & GENERAL	397,458.
HOUSEKEEPING	26,809.
MEDICAL RECORDS	65,235.
OTHER	3,116.
PART II - LINE 28 - OTHER DEDUCTIONS	1,343,339.

RIDOH 1999

KENT COUNTY MEMORIAL HOSPITAL
YEAR ENDED SEPTEMBER 30, 2009

05-0258896

FORM 990-T - PART II, LINE 31 - NET OPERATING LOSS DEDUCTION CARRYFORWARD

Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	1,451,016	23,170	434,005	993,841
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	-23,170			-
9/30/2009	-434,005			-
TOTAL	12,558,826			12,558,826
TOTAL CARRIED FORWARD TO 9/30/10				12,558,826

STATEMENT 4

KENT COUNTY MEMORIAL HOSPITAL
YEAR ENDED SEPTEMBER 30, 2009

05-0258896

FORM 4626, LINE 6 - NET OPERATING LOSS DEDUCTION CARRYFORWARD

Year Ending	Amount Generated	Amount Utilized Prior Years	Amount Utilized in Current Year	Amount Carried Forward
9/30/1996	1,451,016	-20,853	-390,605	1,039,558
9/30/1997	1,608,706			1,608,706
9/30/1998	1,335,202			1,335,202
9/30/1999	1,095,007			1,095,007
9/30/2000	1,234,441			1,234,441
9/30/2001	1,039,607			1,039,607
9/30/2002	1,313,714			1,313,714
9/30/2003	1,124,458			1,124,458
9/30/2004	764,822			764,822
9/30/2005	756,421			756,421
9/30/2006	577,761			577,761
9/30/2007	714,846			714,846
9/30/2008	-20,853			
9/30/2009	-390,605			
TOTAL	12,604,543			12,604,543
TOTAL CARRIED FORWARD TO 9/30/10				12,604,543

STATEMENT 4A

Form **2220**

Department of the Treasury
Internal Revenue Service

Underpayment of Estimated Tax by Corporations

▶ See separate instructions.
▶ Attach to the corporation's tax return.

OMB No. 1545-0142

2008

Name

KENT COUNTY MEMORIAL HOSPITAL

Employer identification number

05-0258896

Note: *Generally, the corporation is not required to file Form 2220 (see Part II below for exceptions) because the IRS will figure any penalty owed and bill the corporation. However, the corporation may still use Form 2220 to figure the penalty. If so, enter the amount from page 2, line 38 on the estimated tax penalty line of the corporation's income tax return, but* **do not** *attach Form 2220.*

Part I Required Annual Payment

1	Total tax (see instructions)		1	680.
2a	Personal holding company tax (Schedule PH (Form 1120), line 26) included on line 1	2a		
b	Look-back interest included on line 1 under section 460(b)(2) for completed long-term contracts or section 167(g) for depreciation under the income forecast method	2b		
c	Credit for federal tax paid on fuels (see instructions)	2c		
d	**Total.** Add lines 2a through 2c		2d	
3	Subtract line 2d from line 1. If the result is less than $500, **do not** complete or file this form. The corporation does not owe the penalty		3	680.
4	Enter the tax shown on the corporation's 2007 income tax return (see instructions). **Caution:** ***If the tax is zero or the tax year was for less than 12 months, skip this line and enter the amount from line 3 on line 5***		4	NONE
5	**Required annual payment.** Enter the **smaller** of line 3 or line 4. If the corporation is required to skip line 4, enter the amount from line 3		5	680.

Part II Reasons for Filing - Check the boxes below that apply. If any boxes are checked, the corporation **must** file Form 2220 even if it does not owe a penalty (see instructions).

6	☐	The corporation is using the adjusted seasonal installment method.
7	☐	The corporation is using the annualized income installment method.
8	☐	The corporation is a "large corporation" figuring its first required installment based on the prior year's tax.

Part III Figuring the Underpayment

		(a)	(b)	(c)	(d)
9	**Installment due dates.** Enter in columns (a) through (d) the 15th day of the 4th (***Form 990-PF filers:*** Use 5th month), 6th, 9th, and 12th months of the corporation's tax year	01/17/2009	03/15/2009	06/15/2009	09/15/2009
10	**Required installments.** If the box on line 6 and/or line 7 above is checked, enter the amounts from Schedule A, line 38. If the box on line 8 (but not 6 or 7) is checked, see instructions for the amounts to enter. If none of these boxes are checked, enter 25% of line 5 above in each column	170.	170.	170.	170.
11	Estimated tax paid or credited for each period (see instructions). For column (a) only, enter the amount from line 11 on line 15				
	Complete lines 12 through 18 of one column before going to the next column.				
12	Enter amount, if any, from line 18 of the preceding column				
13	Add lines 11 and 12				
14	Add amounts on lines 16 and 17 of the preceding column		170.	340.	510.
15	Subtract line 14 from line 13. If zero or less, enter -0-				
16	If the amount on line 15 is zero, subtract line 13 from line 14. Otherwise, enter -0-		170.	340.	
17	**Underpayment.** If line 15 is less than or equal to line 10, subtract line 15 from line 10. Then go to line 12 of the next column. Otherwise, go to line 18	170.	170.	170.	170.
18	**Overpayment.** If line 10 is less than line 15, subtract line 10 from line 15. Then go to line 12 of the next column				

Go to Part IV on page 2 to figure the penalty. Do not go to Part IV if there are no entries on line 17 - no penalty is owed.

For Paperwork Reduction Act Notice, see separate instructions. Form **2220** (2008)

RIDOH 2002

Part IV Figuring the Penalty

		(a)	(b)	(c)	(d)
19 Enter the date of payment or the 15th day of the 3rd month after the close of the tax year, whichever is earlier (see instructions). *(Form 990-PF and Form 990-T filers:* Use 5th month instead of 3rd month.)	19				
20 Number of days from due date of installment on line 9 to the date shown on line 19	20				
21 Number of days on line 20 after 4/15/2008 and before 7/1/2008	21				
22 Underpayment on line 17 x Number of days on line 21 / 366 x 6%	22				
23 Number of days on line 20 after 6/30/2008 and before 10/1/2008	23				
24 Underpayment on line 17 x Number of days on line 23 / 366 x 5%	24				
		SEE PENALTY COMPUTATION WHITEPAPER DETAIL			
25 Number of days on line 20 after 9/30/2008 and before 1/1/2009	25				
26 Underpayment on line 17 x Number of days on line 25 / 366 x 6%	26				
27 Number of days on line 20 after 12/31/2008 and before 4/1/2009	27				
28 Underpayment on line 17 x Number of days on line 27 / 365 x 5%	28				
29 Number of days on line 20 after 3/31/2009 and before 7/1/2009	29				
30 Underpayment on line 17 x Number of days on line 29 / 365 x *%	30				
31 Number of days on line 20 after 6/30/2009 and before 10/1/2009	31				
32 Underpayment on line 17 x Number of days on line 31 / 365 x *%	32				
33 Number of days on line 20 after 9/30/2009 and before 1/1/2010	33				
34 Underpayment on line 17 x Number of days on line 33 / 365 x *%	34				
35 Number of days on line 20 after 12/31/2009 and before 2/16/2010	35				
36 Underpayment on line 17 x Number of days on line 35 / 365 x *%	36				
37 Add lines 22, 24, 26, 28, 30, 32, 34, and 36	37				
38 **Penalty.** Add columns (a) through (d) of line 37. Enter the total here and on Form 1120, line 33; or the comparable line for other income tax returns	38				22.

*Use the penalty interest rate for each calendar quarter, which the IRS will determine during the first month in the preceding quarter. These rates are published quarterly in an IRS News Release and in a revenue ruling in the Internal Revenue Bulletin. To obtain this information on the Internet, access the IRS website at **www.irs.gov.** You can also call 1-800-829-4933 to get interest rate information.

PENALTY COMPUTATION DETAIL - FORM 2220

DATE PD	UNDERPAYMENT	BEG. DATE	END DATE	DAYS	%	PENALTY
QUARTER 1, RATE PERIOD 1 (01/17/2009 - 03/31/2009)						
	170.	01/17/2009	03/31/2009	73	5	2.
TOTAL FOR QUARTER 1, RATE PERIOD 1						2.
QUARTER 1, RATE PERIOD 2 (03/31/2009 - 02/15/2010)						
	170.	03/31/2009	02/15/2010	321	4	6.
TOTAL FOR QUARTER 1, RATE PERIOD 2						6.
QUARTER 2, RATE PERIOD 1 (03/15/2009 - 03/31/2009)						
	170.	03/15/2009	03/31/2009	16	5	
TOTAL FOR QUARTER 2, RATE PERIOD 1						
QUARTER 2, RATE PERIOD 2 (03/31/2009 - 02/15/2010)						
	170.	03/31/2009	02/15/2010	321	4	6.
TOTAL FOR QUARTER 2, RATE PERIOD 2						6.
QUARTER 3, RATE PERIOD 2 (06/15/2009 - 02/15/2010)						
	170.	06/15/2009	02/15/2010	245	4	5.
TOTAL FOR QUARTER 3, RATE PERIOD 2						5.
QUARTER 4, RATE PERIOD 2 (09/15/2009 - 02/15/2010)						
	170.	09/15/2009	02/15/2010	153	4	3.
TOTAL FOR QUARTER 4, RATE PERIOD 2						3.

TOTAL UNDERPAYMENT PENALTY 22.

RIDOH 2004

SCHEDULE O (Form 1120)
(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

Consent Plan and Apportionment Schedule for a Controlled Group

▶ Attach to Form 1120, 1120-C, 1120-F, 1120-FSC, 1120-L, 1120-PC, 1120-REIT, or 1120-RIC.
▶ See separate instructions.

OMB No. 1545-0123

Name: KENT COUNTY MEMORIAL HOSPITAL

Employer identification number: 05-0258896

Part I Apportionment Plan Information

1 Type of controlled group:
- a [ ] Parent-subsidiary group
- b [ ] Brother-sister group
- c [X] Combined group
- d [ ] Life insurance companies only

2 This corporation has been a member of this group:
- a [X] For the entire year.
- b [ ] From _____, until _____.

3 This corporation consents and represents to:
- a [ ] Adopt an apportionment plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.
- b [X] Amend the current apportionment plan. All the other members of this group are currently amending a previously adopted plan, which was in effect for the tax year ending 09/30/2008, and for all succeeding tax years.
- c [ ] Terminate the current apportionment plan and not adopt a new plan. All the other members of this group are not adopting an apportionment plan.
- d [ ] Terminate the current apportionment plan and adopt a new plan. All the other members of this group are adopting an apportionment plan effective for the current tax year which ends on _____, and for all succeeding tax years.

4 If you did not check a box on line 3 above, check the applicable box below concerning the status of the group's apportionment plan (see instructions).
- a [ ] No apportionment plan is in effect and none is being adopted.
- b [ ] An apportionment plan is already in effect. It was adopted for the tax year ending _____, and for all succeeding tax years.

5 If all the members of this group are adopting a plan or amending the current plan for a tax year after the due date (including extensions) of the tax return for this corporation, is there at least one year remaining on the statute of limitations from the date this corporation filed its amended return for such tax year for assessing any resulting deficiency? See instructions.
- a [X] Yes.
  - (i) [X] The statute of limitation for this year will expire on 08/15/2013.
  - (ii) [ ] On _____, this corporation entered into an agreement with the Internal Revenue Service to extend the statute of limitations for purposes of assessment until _____.
- b [ ] No. The members may not adopt or amend an apportionment plan.

6 Elections under section 1561. See instructions.
- a [ ] The corporation will determine its tax liability by applying the maximum tax rate under section 11 to the entire amount of its taxable income.
- b [ ] The corporation and the other members of the group elect the FIFO method (rather than defaulting to the proportionate method) for allocating the group's section 11(b)(1) additional tax.

Part II Taxable Income Apportionment (See instructions)

Caution: *Each total in Part II, column (g) for each component member must agree with Form 1120, page 1, line 30 or the comparable line of such member's tax return.*

(a) Group member's name and employer identification number		(b) Tax year end (Yr-Mo)	Taxable Income Amount Allocated to Each Bracket (c) 15%	(d) 25%	(e) 34%	(f) 35%	(g) Total (add columns (c) through (f))
1 WOMEN & INFANT HOSPITAL OF RHODE IS LAND	05-0258937	2009-09	25,000.	12,500.	3,558,051.		3,595,551.
2 BUTLER HOSPITAL	05-0258812	2009-09	25,000.	12,500.	129,385.		166,885.
3 KENT COUNTY MEMORIAL HOSPITAL	05-0258896	2009-09	NONE	NONE	NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total			50,000.	25,000.	3,687,436.		3,762,436.

RIDOH 2006

Part III Income Tax Apportionment (See instructions)

(a) Group member's name	Income Tax Apportionment (b) 15%	(c) 25%	(d) 34%	(e) 35%	(f) 5%	(g) 3%	(h) Total income tax (combine lines (b) through (g))
1 WOMEN & INFANT HOSPITAL OF RHODE IS LAND	3,750.	3,125.	1,209,737.		8,406.		1,225,018.
2 BUTLER HOSPITAL	3,750.	3,125.	43,991.		3,344.		54,210.
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	NONE	NONE		NONE		NONE
4							
5							
6							
7							
8							
9							
10							
Total	7,500.	6,250.	1,253,728.		11,750.		1,279,228.

JSA
8C1015 3.000
1956AP 2YY1 CNE

RIDOH 2007

Part IV Other Apportionments (See instructions)

(a) Group member's name	Other Apportionments (b) Accumulated earnings credit	(c) AMT exemption amount	(d) Phaseout of AMT exemption amount	(e) Penalty for failure to pay estimated tax	(f) Other
1 WOMEN & INFANT HOSPITAL OF RHODE IS LAND	NONE	NONE	NONE		
2 BUTLER HOSPITAL	NONE	NONE	NONE		
3 KENT COUNTY MEMORIAL HOSPITAL	NONE	40,000.	150,000.		
4					
5					
6					
7					
8					
9					
10					
Total	NONE	40,000.	150,000.		

RIDOH 2008

Form **926**
(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶ Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026
Attachment Sequence No. **128**

Part I U.S. Transferor Information (see instructions)

Name of transferor	Identifying number (see instructions)
KENT COUNTY MEMORIAL HOSPITAL	05-0258896

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? . . . . . ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? . . . . . ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? . . . . . ☐ Yes ☐ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? . . . . . ☐ Yes ☐ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? . . . . . ☐ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? . . . . . ☐ Yes ☐ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? . . . . . ☐ Yes ☐ No

Part II Transferee Foreign Corporation Information (see instructions)

3 Name of transferee (foreign corporation)	4 Identifying number, if any
TOLL GATE INDEMNITY, LTD.	34-2028514

5 Address (including country)

P.O. BOX 1051 GRAND CAYMAN, CAYMAN ISLANDS, B.W.I.

6 Country code of country of incorporation or organization (see instructions)

CJ

7 Foreign law characterization (see instructions)

CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? . . . . . ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see separate instructions.

Form **926** (Rev. 12-2008)

JSA
9X2608 2 000

RIDOH 2009

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	VARIOUS		2,814,010.57		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs. sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp. Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec 1.367(a)-4T(e))					
Other property					

Supplemental Information Required To Be Reported (see instructions):

TRANSFER OF $2,814,010.57 CASH AND DEEMED CASH CONTRIBUTIONS ON VARIOUS DATES DURING THE FISCAL YEAR ENDED 9/30/2009. THE AMOUNTS TRANSFERRED WERE IN THE FORM OF A PREMIUM PAID TO A WHOLLY OWNED CAPTIVE. FOR U.S. FEDERAL INCOME TAX PURPOSES, THE ARRANGEMENT IS NOT BEING TREATED AS INSURANCE.

Part IV Additional Information Regarding Transfer of Property (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 100 % (b) After 100 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

a	Gain recognition under section 904(f)(3)	☐	Yes	☒ No
b	Gain recognition under section 904(f)(5)(F)	☐	Yes	☒ No
c	Recapture under section 1503(d)	☐	Yes	☒ No
d	Exchange gain under section 987	☐	Yes	☒ No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

a	Tainted property	☐	Yes	☒ No
b	Depreciation recapture	☐	Yes	☒ No
c	Branch loss recapture	☐	Yes	☒ No
d	Any other income recognition provision contained in the above-referenced regulations	☐	Yes	☒ No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ _____

16 Was cash the only property transferred? ☒ Yes ☐ No

17a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

Attachment to 09/30/2009 Form 926 and Form 5471
Statement Pursuant to §1.351-3(b) by
Tollgate Indemnity, Ltd. 34-2028514, a transferee corporation

1. Transferor Name: KENT COUNTY MEMORIAL HOSPITAL
   Taxable Year Ended: 09/30/2009
   FEIN: 05-0258896

   Transferee Name: TOLL GATE INDEMNITY, LTD.
   EIN: 34-2028514
   Transferee Address: P.O. BOX 1051
   GRAND CAYMAN, CAYMAN ISLANDS, B.W.I.

This statement is being filed with TOLL GATE INDEMNITY, LTD., the transferee, Form 5471, Information Return of U.S. Persons, with respect to the transferee, for the taxable year ended 9/30/2009.

This statement is filed in accordance with Reg. §1.351-3(b) to disclose the details of property transferred to the above controlled corporation.

2. Date(s) of the transfers of assets:

10/30/2008	104,204.50
1/30/2009	353,823.10
5/4/2009	739,228.88
8/3/2009	955,504.09
9/29/2009	661,250.00
	$2,814,010.57

3. Aggregate fair market value and basis, determined immediately before the exchange, of all property received in the exchange:

   a. Fair Market Value:

   At various times throughout the year, the transferee received cash and deemed cash contributions in the amount of USD $2,814,010.57 from the transferor, KENT COUNTY MEMORIAL HOSPITAL.

   b. Adjusted Basis of Property:

   KENT COUNTY MEMORIAL HOSPITAL basis in the property transferred on the date(s) of the exchange was USD $2,814,010.57.

4. Date and control number of any private letter ruling(s)issued by the Internal Revenue Service in connection with the section 351 exchange: NOT APPLICABLE.

Form **5471**
(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ **See separate instructions.**

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 10/01/2008 , and ending 09/30/2009

OMB No 1545-0704

Attachment Sequence No. **121**

Name of person filing this return
KENT COUNTY MEMORIAL HOSPITAL

A Identifying number
05-0258896

Number, street, and room or suite no. (or P O. box number if mail is not delivered to street address)
455 TOLL GATE ROAD

B Category of filer (See instructions. Check applicable box(es))
1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒

City or town, state, and ZIP code
WARWICK, RI 02886

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.00%

Filer's tax year beginning 10/01/2008 , and ending 09/30/2009

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information **must** be in English. All amounts **must** be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
TOLL GATE INDEMNITY, LTD.
P.O. BOX 1051
GRAND CAYMAN, CJ

b Employer identification number, if any
34-2028514

c Country under whose laws incorporated
CAYMAN ISLANDS

d Date of incorporation	**e** Principal place of business	**f** Principal business activity code number	**g** Principal business activity	**h** Functional currency
03/25/2004	CJ	524290	INSURANCE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	*(ii)* U.S. income tax paid (after all credits)
NONE	NONE

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
MARSH MANAGEMENT
P.O. BOX 1051
GRAND CAYMAN, CJ

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different
SAME

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	**(b)** Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	*(ii)* End of annual accounting period
COMMON	120,000	120,000

For Paperwork Reduction Act Notice, see instructions.

Form **5471** (Rev. 12-2007)

JSA
9X1660 1 000

RIDOH 2013

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. **Note:** *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
KENT COUNTY MEMORIAL HOSPITAL 455 TOLL GATE ROAD WARWICK, RI 02886 05-0258896	COMMON	120,000	120,000	100.00

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

				Functional Currency	U.S. Dollars
Income	1 a	Gross receipts or sales	1a		4,462,472.00
	b	Returns and allowances	1b		
	c	Subtract line 1b from line 1a	1c		4,462,472.00
	2	Cost of goods sold	2		
	3	Gross profit (subtract line 2 from line 1c)	3		4,462,472.00
	4	Dividends	4		
	5	Interest	5		
	6a	Gross rents	6a		
	b	Gross royalties and license fees	6b		
	7	Net gain or (loss) on sale of capital assets	7		
	8	Other income (attach schedule) SEE STATEMENT 1	8		3,268,828.00
	9	Total income (add lines 3 through 8)	9		7,731,300.00
Deductions	10	Compensation not deducted elsewhere	10		
	11a	Rents	11a		
	b	Royalties and license fees	11b		
	12	Interest	12		
	13	Depreciation not deducted elsewhere	13		
	14	Depletion	14		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16	Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) SEE STATEMENT 1	16		8,746,734.00
	17	Total deductions (add lines 10 through 16)	17		8,746,734.00
Net Income	18	Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		-1,015,434.00
	19	Extraordinary items and prior period adjustments (see instructions)	19		
	20	Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21	Current year net income or (loss) per books (combine lines 18 through 20)	21		-1,015,434.00

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S. dollars
1	U.S.			NONE
2	CAYMAN ISLANDS	NONE	1.0000	NONE
3				
4				
5				
6				
7				
8	Total ▶			

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1	3,231,242.00	1,800,443.00
2a	Trade notes and accounts receivable	2a		
b	Less allowance for bad debts	2b	( )	( )
3	Inventories	3		
4	Other current assets (attach schedule) SEE STATEMENT 2	4	1,817,678.00	1,942,363.00
5	Loans to shareholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule) SEE STATEMENT 2	7	17,748,575.00	22,131,333.00
8a	Buildings and other depreciable assets	8a		
b	Less accumulated depreciation	8b	( )	( )
9a	Depletable assets	9a		
b	Less accumulated depletion	9b	( )	( )
10	Land (net of any amortization)	10		
11	Intangible assets:			
a	Goodwill	11a		
b	Organization costs	11b		
c	Patents, trademarks, and other intangible assets	11c		
d	Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12	Other assets (attach schedule)	12		
13	Total assets	13	22,797,495.00	25,874,139.00
	Liabilities and Shareholders' Equity			
14	Accounts payable	14	220,340.00	221,566.00
15	Other current liabilities (attach schedule) SEE STATEMENT 2	15	998,447.00	1,132,807.00
16	Loans from shareholders and other related persons	16		
17	Other liabilities (attach schedule) SEE STATEMENT 2	17	15,844,603.00	19,801,095.00
18	Capital stock:			
a	Preferred stock	18a		
b	Common stock	18b	120,000.00	120,000.00
19	Paid-in or capital surplus (attach reconciliation)	19	2,440,580.00	2,440,580.00
20	Retained earnings	20	3,173,525.00	2,158,091.00
21	Less cost of treasury stock	21	( )	( )
22	Total liabilities and shareholders' equity	22	22,797,495.00	25,874,139.00

RIDOH 2015

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required attachment.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301.7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		X
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X

Schedule H Current Earnings and Profits (see instructions)

Important: *Enter the amounts on lines 1 through 5c in* ***functional*** *currency.*

1	Current year net income or (loss) per foreign books of account			1	-1,015,434.00
2	Net adjustments made to line 1 to determine current earnings and profits according to U.S. financial and tax accounting standards (see instructions):	**Net Additions**	**Net Subtractions**		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach schedule) STMT 3	7,787,860.00	7,631,604.00		
3	Total net additions	7,787,860.00			
4	Total net subtractions		7,631,604.00		
5 a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	-859,178.00
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	-859,178.00
d	Current earnings and profits in U.S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions))			5d	-859,178.00

Enter exchange rate used for line 5d ▶ 1.0000

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S. property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

SCHEDULE J (Form 5471)
(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471
KENT COUNTY MEMORIAL HOSPITAL

Identifying number
05-0258896

Name of foreign corporation
TOLL GATE INDEMNITY, LTD.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	*(ii)* Earnings Invested in Excess Passive Assets	*(iii)* Subpart F Income	
1 Balance at beginning of year	-802,805.00				3,918,260.00	3,115,455.00
2a Current year E&P						
b Current year deficit in E&P	859,178.00					
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	-1,661,983.00					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)					3,918,260.00	
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-1,661,983.00					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-1,661,983.00				3,918,260.00	2,256,277.00

SCHEDULE M (Form 5471)
(Rev December 2007)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471

KENT COUNTY MEMORIAL HOSPITAL

Identifying number

05-0258896

Name of foreign corporation

TOLL GATE INDEMNITY, LTD.

Important: *Complete a* ***separate*** *Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U.S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U.S. person filing this return)	(f) 10% or more U.S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)					
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.) . . .					
4 Buy-in payments received . . .					
5 Cost sharing payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services . .					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income). . . .					
10 Interest received.					
11 Premiums received for insurance or reinsurance.					
12 Add lines 1 through 11	NONE	NONE	NONE	NONE	NONE
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade. . . .					
15 Purchases of property rights (patents, trademarks, etc.) . . .					
16 Buy-in payments paid					
17 Cost sharing payments paid . .					
18 Compensation paid for technical, managerial, engineering, construction, or like services . .					
19 Commissions paid.					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23. . . .	NONE	NONE	NONE	NONE	NONE
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions . . .	0.00	0.00	0.00	0.00	0.00
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions . . .	0.00	0.00	0.00	0.00	0.00

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

INVESTMENT INCOME	99,696
UNREALIZED GAIN ON INVESTMENTS	3,169,132
TOTAL	3,268,828

SCH C, LINE 16 - OTHER DEDUCTIONS

GENERAL & ADMINISTRATIVE EXPENSES	820,833
LOSSES & LOSS EXPENSES PAID	3,831,368
CHANGE IN RESERVES-LOSS&ADJ EXPENSES	3,956,492
REALIZED LOSS ON INVESTMENTS	138,041
TOTAL	8,746,734

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 3 DETAIL

SCH F, LINE 4 - OTHER CURRENT ASSETS	BEGINNING US CURRENCY	ENDING US CURRENCY
PREPAID EXPENSES	30,486	12,122
PREMIUMS RECEIVABLE	1,787,192	1,930,241
TOTAL	1,817,678	1,942,363

SCH F, LINE 7 - OTHER INVESTMENTS		
MARKETABLE SECURITIES	17,748,575	22,131,333
TOTAL	17,748,575	22,131,333

SCH F, LINE 15 - OTHER CURRENT LIABILITES		
UNEARNED PREMIUMS	870,375	948,697
LOSSES PAYABLE	128,072	184,110
TOTAL	998,447	1,132,807

SCH F, LINE 17 - OTHER LIABILITES		
RESERVES FOR LOSSES & LOSS ADJ EXP	15,844,603	19,801,095
TOTAL	15,844,603	19,801,095

SCH F, LINE 19 - PAID-IN OR CAPITAL SURPLUS		
ADDITIONAL PAID-IN CAPITAL	2,440,580	2,440,580
TOTAL	2,440,580	2,440,580

KENT COUNTY MEMORIAL HOSPITAL
TOLL GATE INDEMNITY, LTD.

05-0258896

FORM 5471, PAGE 4 DETAIL

SCH H, LINE 2H - OTHER RECONCILING ITEMS	NET ADDITIONS	NET SUBTRACTS
LOSS & LOSS ADJUSTMENT EXPENSE INCURRED	7,787,860	
PREMIUMS EARNED		4,462,472
UNREALIZED GAIN ON INVESTMENTS		3,169,132
TOTAL	7,787,860	7,631,604

FEDERAL ELECTIONS, ATTACHMENT TO FORM 5471

DESCRIPTION: INFORMATION REQUIRED PURSUANT TO REGULATION SECTION 1.6038B-1(c)

1. TRANSFEROR:
NAME: KENT COUNTY MEMORIAL HOSPITAL
FEIN: 05-0258896
ADDRESS: 455 TOLL GATE ROAD
WARWICK, RI 02886

2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: TOLL GATE INDEMNITY, LTD.
FEIN: 34-2028514
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS
COUNTRY OF INCORPORATION: CAYMAN ISLANDS

(II) KENT COUNTY MEMORIAL HOSPITAL TRANSFERRED TO TOLL GATE INDEMNITY, LTD. CASH OF $2,814,010.57 AS PREMIUMS FOR INSURANCE COVERAGE. AS THE INSURANCE CONTRACT DOES NOT TRANSFER A RISK OF LOSS TO THE INSURANCE COMPANY, THE CONTRACT IS NOT BEING TREATED AS AN INSURANCE CONTRACT FOR FEDERAL TAX PURPOSES. RATHER, THE PAYMENT OF THE PREMIUM IS BEING TREATED AS A CONTRIBUTION BY KENT COUNTY MEMORIAL HOSPITAL TRANSFERRED TO THE CAPITAL OF TOLL GATE INDEMNITY, LTD. BEFORE AND AFTER THE EXCHANGE, KENT COUNTY MEMORIAL HOSPITAL OWNED 100.0% OF TOLL GATE INDEMNITY, LTD. STOCK. SUBJECT TO THE PROVISION OF IRC SECTION 367(A) OF 1986, AS AMENDED, THE TRANSACTION QUALIFIES AS A TAX-FREE TRANSACTION UNDER IRC SECTION 351.

3. CONSIDERATION RECEIVED: SHARE INTEREST

4. PROPERTY TRANSFERRED

(I)	CASH	$ 2,814,010.57
(II)	ACTIVE BUSINESS PROPERTY:	NOT APPLICABLE
(III)	STOCK OR SECURITIES:	NOT APPLICABLE
(IV)	DEPRECIATED PROPERTY:	NOT APPLICABLE
(V)	PROPERTY TO BE LEASED:	NOT APPLICABLE
(VI)	PROPERTY TO BE SOLD:	NOT APPLICABLE
(VII)	TRANSFERS TO FSC'S:	NOT APPLICABLE
(VIII)	TAINTED PROPERTY:	NOT APPLICABLE
(IX)	FOREIGN LOSS BRANCH:	NOT APPLICABLE
(X)	OTHER INTANGIBLES:	NOT APPLICABLE

5. TRANSFER OF FOREIGN BRANCH WITH PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE

(I)	BRANCH OPERATION	NOT APPLICABLE
(II)	BRANCH PROPERTY	NOT APPLICABLE
(III)	PREVIOUSLY DEDUCTED LOSSES	NOT APPLICABLE
(IV)	CHARACTER OF GAIN	NOT APPLICABLE

6. APPLICATION OF SECTION 367(a)(5): NOT APPLICABLE

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SCHEDULE M, LINE 11

TOLL GATE INDEMNITY, LTD. IS A CAPTIVE INSURANCE COMPANY, AND AS SUCH, DOES NOT RECOGNIZE PREMIUM REVENUE. INSTEAD, KENT COUNTY MEMORIAL HOSPITAL MAKES SELF INSURANCE DEPOSITS WITH THE ORGANIZATION.

[THIS PAGE INTENTIONALLY BLANK]

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

OMB No. 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01, **2010, and ending** 09/30, **20** 11

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

C Name of organization: WOMEN & INFANTS HOSPITAL OF RI

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 101 DUDLEY STREET

Room/suite:

City or town, state or country, and ZIP + 4: PROVIDENCE, RI 02905

D Employer identification number: 05-0258937

E Telephone number: (401) 681-1150 EXT 1124

G Gross receipts $ 427,190,086.

F Name and address of principal officer: CONSTANCE A. HOWES, JD, FACHE
101 DUDLEY STREET PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.WOMENANDINFANTS.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1884 **M** State of legal domicile: RI

DRAFT

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
THE ORGANIZATION IS A TEACHING HOSPITAL COMMITTED TO CONTINUALLY IMPROVE THE HEALTH AND WELL-BEING OF WOMEN AND INFANTS AND PROVIDE ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	19.
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	10.
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	3,267.
6	Total number of volunteers (estimate if necessary)	6	450.
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0.

Revenue

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	24,012,903.	2,588,598.
9	Program service revenue (Part VIII, line 2g)	349,744,265.	415,541,717.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	880,836.	2,657,958.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	33,004,454.	770,588.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	407,642,458.	421,558,861.

Expenses

13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	1,173,314.	1,278,567.
14	Benefits paid to or for members (Part IX, column (A), line 4)	0.	0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	252,334,147.	254,916,395.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0.	0.
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 696,783.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	146,107,923.	156,012,675.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	399,615,384.	412,207,637.
19	Revenue less expenses. Subtract line 18 from line 12	8,027,074.	9,351,224.

Net Assets or Fund Balances

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	315,905,776.	314,277,389.
21	Total liabilities (Part X, line 26)	159,900,266.	160,424,480.
22	Net assets or fund balances. Subtract line 21 from line 20	156,005,510.	153,852,909.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed ▶ ☐	PTIN
				P00642486

Firm's name ▶ WITHUMSMITH+BROWN, PC — Firm's EIN ▶ 22-2027092

Firm's address ▶ 465 SOUTH ST STE 200 MORRISTOWN, NJ 07960-6497 — Phone no. 973-898-9494

May the IRS discuss this return with the preparer shown above? (see instructions) ☒ Yes ☐ No

For Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2010)

JSA
0E1010 1 000
7576CY U600

RIDOH 2026

Part III **Statement of Program Service Accomplishments**
Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:
ATTACHMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 374,582,715. including grants of $ 664,960.) (Revenue $ 415,541,717.)
THE HOSPITAL IS THE REGIONAL CENTER FOR WOMEN AND INFANTS HEALTHCARE IN RHODE ISLAND AND ENVIRONS, PROVIDING CARE IN THE AREAS OF OBSTETRICS, NEONATAL INTENSIVE CARE, REPRODUCTIVE ENDOCRINOLOGY, MATERNAL FETAL MEDICINE AND GYNECOLOGY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 374,582,715.

DRAFT

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	X	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	X	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		X
c	Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c	X	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		X
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	X	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		X
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		X
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15	X	
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	X	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	X	

DRAFT

RIDOH 2028

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35	X	
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☒ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

DRAFT

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V. ☐

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a 379		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 3,267		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a		X
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶ CAYMAN ISLANDS See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to line 5a or 5b, did the organization file Form 8886-T?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year 7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12 10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities 10b			
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders 11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.) 11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year 12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**			
a	Is the organization licensed to issue qualified health plans in more than one state?	13a		
	Note. See the instructions for additional information the organization must report on Schedule O.			
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans 13b			
c	Enter the amount of reserves on hand 13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a		X
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O*	14b		

DRAFT

RIDOH 2030

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI X

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year	1a 19		
b	Enter the number of voting members included in line 1a, above, who are independent	1b 10		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	X	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		X
5	Did the organization become aware during the year of a significant diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	X	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ MA,

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ ROBERT PACHECO 101 DUDLEY STREET PROVIDENCE, RI 02905 (401)455-6453

DRAFT

RIDOH 2031

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII X

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ATTACHMENT 3										
(1) DOUGLAS L JACOBS CHAIRMAN - DIRECTOR	5.00	X		X				0.	0.	0.
(2) ROBERT G FLANDERS JR ESQ VICE CHAIRMAN - DIRECTOR	1.00	X		X				0.	0.	0.
(3) KATHERINE F MCKENZIE VICE CHAIR - DIRECTOR	1.00	X		X				0.	0.	0.
(4) CYNTHIA S REED VICE CHAIR - DIRECTOR	1.00	X		X				0.	0.	0.
(5) ROGER N BEGIN SECRETARY - DIRECTOR	1.00	X		X				0.	0.	0.
(6) JOHN R GALVIN TREASURER - DIRECTOR	1.00	X		X				0.	0.	0.
(7) KATHLEEN COTE BOWLING MD DIRECTOR	25.00	X						79,001.	0.	0.
(8) JOANNA CAIN MD DIRECTOR (TERM 12/27/10)	0.00	X						633,789.	0.	12,618.
(9) DAVID CARCIERI MD DIRECTOR	1.00	X						6,240.	0.	0.
(10) LISA G CHURCHVILLE DIRECTOR	1.00	X						0.	0.	0.
(11) SHARON CONARD WELLS DIRECTOR	1.00	X						0.	0.	0.
(12) MARGARET D FARRELL ESQ DIRECTOR	1.00	X						0.	0.	0.
(13) WILLIAM F HATFIELD DIRECTOR	1.00	X						0.	0.	0.
(14) CONSTANCE A HOWES JD FACHE DIRECTOR - PRES/CEO/WIH	55.00	X		X				809,459.	0.	123,342.
(15) LINDA R MCGOLDRICK DIRECTOR	1.00	X						0.	0.	0.
(16) JAMES F PADBURY MD DIRECTOR	55.00	X						559,589.	0.	81,433.

DRAFT

RIDOH 2032

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(17) MAUREEN PHIPPS MD MPH DIRECTOR	55.00	X						306,185.	0.	19,160.
(18) GINA RAIMONDO DIRECTOR	1.00	X						0.	0.	0.
(19) SATINA L SIENA MD DIRECTOR - PRESIDENT MED STAFF	1.00	X						5,300.	0.	0.
(20) ANNE SZOSTAK DIRECTOR	1.00	X						0.	0.	0.
(21) MARK MARCANTANO EXECUTIVE VICE PRESIDENT/COO	55.00			X				469,783.	0.	11,705.
(22) JOHN M SUTHERLAND III PRESIDENT - W&I INDEMNITY LTD.	1.00			X				605,702.	0.	118,291.
(23) DEBRA M PAUL CPA MBA SR. VP & CFO/ASST. TREASURER	55.00			X				497,337.	0.	26,941.
(24) RAYMOND POWRIE MD SENIOR VICE PRESIDENT-QUALITY	55.00			X				456,618.	0.	10,482.
(25) GAIL COSTA SR VP - PLANNING CNE	1.00			X				396,714.	0.	110,946.
(26) KAREN DAVIE SR. VP - PHILANTHROPY & GOV.	55.00			X				364,001.	0.	36,818.
(27) PAULA GILLETTE (TERM 10/10-01/11) SR. VP - PATIENT CARE SERVICES	55.00			X				304,780.	0.	9,147.
(28) SUSAN E MAXWELL (TERM 03/11-08/11) SR. VP - PATIENT CARE SERVICES	55.00			X				147,210.	0.	536.
1b Sub-total ▶								5,641,708.	0.	561,419.
c Total from continuation sheets to Part VII, Section A ATTACHMENT 2 ▶								5,176,192.	0.	297,868.
d Total (add lines 1b and 1c) ▶								10,817,900.	0.	859,287.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 287

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 23

DRAFT

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c 287,997.				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2,300,601.				
	g Noncash contributions included in lines 1a-1f: $ 28,863.					
	h **Total.** Add lines 1a-1f		2,588,598.			
Program Service Revenue		**Business Code**				
	2a NET PATIENT SERVICE REVENUE	541900	373,434,433.	373,434,433.		
	b OTHER HEALTHCARE RELATED REVENUE	541900	42,107,284.	42,107,284.		
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a-2f		415,541,717.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ATTACHMENT 5		2,330,338.			2,330,338.
	4 Income from investment of tax-exempt bond proceeds		0.			
	5 Royalties		0.			
		(i) Real	(ii) Personal			
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)					
	d Net rental income or (loss)		0.			
		(i) Securities	(ii) Other			
	7a Gross amount from sales of assets other than inventory	5,759,093.	67,340.			
	b Less: cost or other basis and sales expenses	5,497,458.	1,355.			
	c Gain or (loss)	261,635.	65,985.			
	d Net gain or (loss)		327,620.			327,620.
	8a Gross income from fundraising events (not including $ 287,997. of contributions reported on line 1c). See Part IV, line 18 ATCH 6	a 132,412.				
	b Less direct expenses	b 132,412.				
	c Net income or (loss) from fundraising events ATCH. 7.		0.			
	9a Gross income from gaming activities. See Part IV, line 19	a				
	b Less: direct expenses	b				
	c Net income or (loss) from gaming activities		0.			
	10a Gross sales of inventory, less returns and allowances	a				
	b Less. cost of goods sold	b				
	c Net income or (loss) from sales of inventory		0.			
	Miscellaneous Revenue	**Business Code**				
	11a CAFETERIA REVENUE	722210	665,726.			665,726.
	b PARKING REVENUE	812930	52,462.			52,462.
	c GIFT SHOP REVENUE	452000	50,703.			50,703.
	d All other revenue	900099	1,697.			1,697.
	e **Total.** Add lines 11a-11d		770,588.			
	12 **Total revenue.** See instructions		421,558,861.	415,541,717.		3,428,546.

DRAFT

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U S See Part IV, line 21	664,960.	664,960.		
2 Grants and other assistance to individuals in the U S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U S See Part IV, lines 15 and 16	613,607.	613,607.		
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	8,410,452.	7,569,407.	841,045.	0.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	181,723,171.	163,064,548.	18,118,283.	540,342.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,365,102.	10,228,592.	1,136,510.	
9 Other employee benefits	40,310,940.	36,279,846.	4,031,094.	
10 Payroll taxes	13,106,730.	11,796,057.	1,310,673.	
11 Fees for services (non-employees)				
a Management	0.			
b Legal	857,641.	771,877.	85,764.	
c Accounting	29,064.	26,158.	2,906.	
d Lobbying	65,117.	58,605.	6,512.	
e Professional fundraising services See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	3,115,029.	2,803,526.	311,503.	
12 Advertising and promotion	847,151.	726,988.	80,776.	39,387.
13 Office expenses	32,145,241.	28,906,656.	3,211,851.	26,734.
14 Information technology	0.			
15 Royalties	0.			
16 Occupancy	6,360,972.	5,724,875.	636,097.	
17 Travel	376,923.	339,231.	37,692.	
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	421,662.	376,788.	41,865.	3,009.
20 Interest	576,117.	518,505.	57,612.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	14,563,320.	13,106,988.	1,456,332.	
23 Insurance	14,288,481.	12,859,633.	1,428,848.	
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a PURCHASED SERVICES	37,728,033.	33,955,230.	3,772,803.	0.
b RESEARCH EXPENSES	17,698,440.	17,698,440.	0.	0.
c LICENSURE FEE	17,270,751.	17,270,751.	0.	0.
d PROVISION FOR BAD DEBT	5,981,693.	5,981,693.	0.	0.
e OTHER EXPENSES	3,687,040.	3,239,756.	359,973.	87,311.
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	412,207,637.	374,582,715.	36,928,139.	696,783.
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

DRAFT

RIDOH 2035

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	39,303,617.	2	21,252,075.
	3	Pledges and grants receivable, net	2,032,438.	3	1,722,145.
	4	Accounts receivable, net	40,115,463.	4	52,625,190.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7	Notes and loans receivable, net ATCH 8	9,807,198.	7	12,895,223.
	8	Inventories for sale or use	403,170.	8	490,089.
	9	Prepaid expenses and deferred charges	2,110,279.	9	1,899,683.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 341,527,786.			
	b	Less: accumulated depreciation — 10b: 185,643,185.	156,489,507.	10c	155,884,601.
	11	Investments - publicly traded securities		11	
	12	Investments - other securities. See Part IV, line 11		12	
	13	Investments - program-related. See Part IV, line 11	60,676,373.	13	60,640,599.
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	4,967,731.	15	6,867,784.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	315,905,776.	16	314,277,389.
Liabilities	17	Accounts payable and accrued expenses	42,452,311.	17	36,666,176.
	18	Grants payable		18	
	19	Deferred revenue	0.	19	2,231,681.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties ATCH 9	5,700,029.	23	2,918,980.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	111,747,926.	25	118,607,643.
	26	**Total liabilities.** Add lines 17 through 25	159,900,266.	26	160,424,480.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	125,746,286.	27	125,225,147.
	28	Temporarily restricted net assets	26,207,031.	28	24,492,709.
	29	Permanently restricted net assets	4,052,193.	29	4,135,053.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	156,005,510.	33	153,852,909.
	34	Total liabilities and net assets/fund balances	315,905,776.	34	314,277,389.

DRAFT

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI X

1	Total revenue (must equal Part VIII, column (A), line 12)	1	421,558,861.
2	Total expenses (must equal Part IX, column (A), line 25)	2	412,207,637.
3	Revenue less expenses. Subtract line 2 from line 1	3	9,351,224.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	156,005,510.
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-11,503,825.
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	153,852,909.

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII X

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

DRAFT

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	**Employer identification number**
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I **Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col (i) of your support? Yes	(v) No	(vi) Is the organization in col (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of support
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

DRAFT

RIDOH 2038

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2010.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2010.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

DRAFT

RIDOH 2039

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10 a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19 a **33 1/3 % support tests - 2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

DRAFT

RIDOH 2040

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

DRAFT

RIDOH 2041

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No 1545-0047

2010

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[X] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[ ] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	ANCHOR COLOR & CHEMICAL 7 TAMARACK DRIVE EAST GREENWICH, RI 02818	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	ANESTHESIOLOGY INC 173 WATERMAN ST., P.O. BOX 603314 PROVIDENCE, RI 02906	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	BAILEY'S TEAM 164 WESTSIDE AVE N ATTLEBOROUGH, MA 02760	$ 10,516.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	GRETA P BROWN 99E SAKONNET POINT RD LITTLE COMPTON, RI 02837-1049	$ 5,600.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	MARGARET BURGESS 157 BOWEN STREET PROVIDENCE, RI 02906-1509	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	SANDRA A CARSON C/O 101 DUDLEY STREET PROVIDENCE, RI 02905	$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI | Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7	CENTRAL COVENTRY FIREFIGHTERS LOCAL 3372 P.O. BOX 336 COVENTRY, RI 02816	$ 5,560.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8	THE CHAMPLIN FOUNDATIONS 2000 CHAPEL VIEW BLVD, STE 350 CRANSTON, RI 02920	$ 251,700.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
9	CHELO'S HOMETOWN BAR & GRILLE 1725 MENDON ROAD, SUITE 209 CUMBERLAND, RI 02864	$ 5,404.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
10	CVS CAREMARK CHARITABLE TRUST ONE CVS DRIVE WOONSOCKET, RI 02895	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
11	HELEN D BUCHANAN 90 ELM STREET PROVIDENCE, RI 02903	$ 8,576.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
12	ESTATE OF WINTHROP B WILSON C/O 101 DUDLEY STREET PROVIDENCE, RI 02905	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2044

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
13	EVERETT BOYDEN TRUST P.O. BOX 1802 PROVIDENCE, RI 02901	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
14	THE HERMAN ABBOTT FAMILY FOUNDATION INC 1224 MAIN STREET BRANFORD, CT 06405	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
15	HINKLEY ALLEN & SNYDER LLP 50 KENNEDY PLAZA, SUITE 1500 PROVIDENCE, RI 02903-2319	$ 5,400.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
16	INVIDIA SALON 1050 EAST MAIN ROAD PORTSMOUTH, RI 02871-2306	$ 6,119.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
17	JOHN CLARKE TRUST 100 FEDERAL STREET, 16TH FLOOR BOSTON, MA 02110	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
18	MARY YONKER MEMORIAL FUND 225 FRANKLIN STREET BOSTON, MA 02110	$ 9,878.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
19	CYNTHIA B PATTERSON 33 KEENE STREET PROVIDENCE, RI 02906-1520	$ 20,287.	Person [X] Payroll [ ] Noncash [X] (Complete Part II if there is a noncash contribution.)
20	PROVIDENCE JOURNAL CHARITABLE FOUNDATION 75 FOUNTAIN STREET PROVIDENCE, RI 02902-0050	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
21	RHODE ISLAND MEDICAL IMAGING 20 CATAMORE BOULEVARD EAST PROVIDENCE, RI 02914-1204	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
22	ELEANOR K SEAMAN 53 SANDY POINT FARM ROAD, UNIT 3 PORTSMOUTH, RI 02871-2159	$ 12,888.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
23	SHARPE FAMILY FOUNDATION 50 SOUTH LASALLE STREET CHICAGO, IL 60675-0001	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
24	STRANDS LABS INC 760 SW MADISON AVE, STE 106 CORVALLIS, OR 97333-4589	$ 7,843.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
25	SWIM ACROSS AMERICA 1 INTERNATIONAL PLACE, STE 4600 BOSTON, MA 02110	$ 105,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
26	TEXTRON CHARITABLE TRUST 40 WESTMINSTER STREET PROVIDENCE, RI 02903-2525	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
27	VIGNERON MEMORIAL FUND 225 FRANKLIN STREET, 4TH FLOOR BOSTON, MA 02110	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
28	WALMART FOUNDATION 702 SW 8TH STREET BENTONVILLE, AR 72716-0150	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
29	WHOLE FOODS 601 NORTH MAIN STREET PROVIDENCE, RI 02904	$ 9,792.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
30	JOAN C ABRAMS P.O. BOX 899 BRISTOL, RI 02809-0998	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2047

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
31	AMGEN INC 40 TECHNOLOGY WAY, UNIT 1 WEST GREENWICH, RI 02817-1712	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
32	AMICA COMPANIES FOUNDATION 100 AMICA WAY LINCOLN, RI 02865-1156	$ 6,300.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
33	AMICA MUTUAL INSURANCE CO 100 AMICA WAY LINCOLN, RI 02865-1156	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
34	ALDEN M ANDERSON 104 CONGDON STREET PROVIDENCE, RI 02906-1413	$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
35	BANK OF AMERICA CHARITABLE FOUNDATION 100 WESTMINSTER STREET PROVIDENCE, RI 02903	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
36	CLAFLIN COMPANY 455 WARWICK INDUSTRIAL DRIVE WARWICK, RI 02886	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2048

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
37	SIDNEY CLIFFORD 60 FREEMAN PARKWAY PROVIDENCE, RI 02906-3324	$ 6,050.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
38	CAROL ANN COUGHLIN 687 RIVER ROAD COS COB, CT 06807	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
39	CVS PHARMACY INC ONE CVS DRIVE WOONSOCKET, RI 02895	$ 7,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
40	MAUREEN M DARROW 2 LISA MARIE CIRCLE WARWICK, RI 02886-9550	$ 50,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
41	KAREN A DAVIE 325 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906-4802	$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
42	DELTA DENTAL OF RHODE ISLAND 10 CHARLES STREET, 3RD FLOOR PROVIDENCE, RI 02904	$ 5,440.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2049

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
43	DIMEO CONSTRUCTION COMPANY 75 CHAPMAN STREET PROVIDENCE, RI 02905-5405	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
44	ROBERT G FLANDERS 50 KENNEDY PLAZA, SUITE 1500 PROVIDENCE, RI 02903-2393	$ 6,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
45	ELIZABETH GARNER 15 SHERMAN STREET NEWPORT, RI 02840	$ 7,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
46	GEM PLUMBING 1 WELLINGTON ROAD LINCOLN, RI 02865	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
47	CORNELIUS O GRANAI C/O 101 DUDLEY STREET PROVIDENCE, RI 02905	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
48	GTECH CORPORATION 55 TECHNOLOGY WAY WEST GREENWICH, RI 02817	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI | Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
49	HAGGMAN INC P.O. BOX 1491 MANCHESTER, MA 01944-0856	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
50	SUZANNE M HALL 23 HALSEY STREET PROVIDENCE, RI 02906-1414	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
51	BENJAMIN P HARRIS 11 SOUTH ANGELL STREET, BOX 337 PROVIDENCE, RI 02906-5206	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
52	HASBRO INC 1011 NEWPORT AVENUE PAWTUCKET, RI 02861-2538	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
53	PAUL F HEFFERNAN 26 LINCOLN LANE N GRAFTON, MA 01536	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
54	CONSTANCE A HOWES 253 FREEMAN PARKWAY PROVIDENCE, RI 02906-5740	$ 15,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2051

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
55	THOMAS C HUGHES 45 FALCON RIDGE DRIVE EXETER, RI 02822-2407	$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
56	DOUGLAS L JACOBS 67 ORCHARD AVENUE PROVIDENCE, RI 02906-5417	$ 25,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
57	THE LALOR FOUNDATION INC 77 SUMMER STREET, 8TH FLOOR BOSTON, MA 02110-1006	$ 25,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
58	W DWAYNE LAWRENCE 757 ELMGROVE AVENUE PROVIDENCE, RI 02906-4921	$ 5,050.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
59	ROBERT D LEGARE 10 HILL DRIVE EAST GREENWICH, RI 02818-1668	$ 10,200.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
60	LITTLE MEDEIROS KINDER BULMAN & WHITNEY 72 PINE STREET PROVIDENCE, RI 02903-2846	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
61	MARK R MARCANTANO 3 CHALCOM CIRCLE NATICK, MA 01760-5577	$ 13,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
62	GABRIELA B MASKO 18 GEORGIANA DRIVE CUMBERLAND, RI 02864-1106	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
63	JANE MCAULIFFE 80 FOX RUN EAST GREENWICH, RI 02818	$ 5,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
64	THE MURRAY FAMILY CHARITABLE FOUNDATION 10 WEYBOSSET STREET, SUITE 302B PROVIDENCE, RI 02903	$ 202,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
65	NORTH MAIN RADIATION ONCOLOGY 825 NORTH MAIN STREET PROVIDENCE, RI 02904-5750	$ 13,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
66	NOW DELIVERY 255 NEW YORK AVENUE, P.O. BOX 3366 PAWTUCKET, RI 02860	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2053

Name of organization WOMEN & INFANTS HOSPITAL OF RI | Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
67	JAMES F PADBURY 85 COLE AVENUE PROVIDENCE, RI 02906-4629	$ 12,500.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
68	THE PHYLLIS & H EARLE KIMBALL FDN 1 INTERNATIONAL PLACE BOSTON, MA 02110-2624	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
69	RAYMOND O POWRIE 244 HEATH STREET CHESTNUT HILL, MA 02467-2822	$ 10,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
70	JUDITH B REMONDI 258 BRIDLE TRAIL ROAD NEEDHAM, MA 02492-1485	$ 50,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
71	THE RHODE ISLAND FOUNDATION ONE UNION STATION PROVIDENCE, RI 02903-1758	$ 77,035.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
72	MARILYN F SERRA 192 HIGHLAND AVENUE WARWICK, RI 02886-9400	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2054

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
73	ANNE SZOSTAK ONE WEST EXCHANGE STREET, APT 2902 PROVIDENCE, RI 02903	$ 11,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
74	UNITED WAY OF RHODE ISLAND 50 VALLEY STREET PROVIDENCE, RI 02909	$ 226,255.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
75	ALFRED J VERRECCHIA 580 OCEAN ROAD NARRAGANSETT, RI 02882	$ 40,700.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
76	DIRECT FUNDRAISING SUPPORT < $5,000 EACH C/O 101 DUDLEY STREET PROVIDENCE, RI 02905	$ 6,297.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
77	DIRECT PUBLIC SUPPORT < $5,000 EACH C/O 101 DUDLEY STREET PROVIDENCE, RI 02905	$ 892,838.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
78	HOME LOAN INVESTMENT BANK ONE HOME LOAN PLAZE, SUITE 3 WARWICK, RI 02886-1765	$ 5,070.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2055

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
79	COASTWAY COMMUNITY BANK ONE COASTWAY PLAZA CRANSTON, RI 02910-3247	$ 5,000.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

DRAFT

RIDOH 2056

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part II Noncash Property (see instructions)

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
11	STOCK - 1350 SHARES GENERAL MILLS	$ 8,576.	10/21/2010
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
19	STOCK - 800 SHARES P&G	$ 20,287.	12/09/2010
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	
(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

DRAFT

RIDOH 2057

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

DRAFT

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

DRAFT

JSA
0E1265 0 020

7576CY U600

RIDOH 2059

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		65,117.
j	Total. Add lines 1c through 1i			65,117.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 2060

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B; LINE 1I

THE ORGANIZATION PAID AN OUTSIDE LOBBYING FIRM $55,000 FOR LOBBYING ON A FEDERAL AND STATE LEVEL RELATED TO MEDICARE, MEDICAID AND OTHER HEALTHCARE LEGISLATIVE MATTERS.

IN ADDITION, THE ORGANIZATION IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION ("AHA") WHICH ENGAGES IN LOBBYING EFFORTS ON BEHALF OF ITS MEMBER HOSPITALS. A PORTION OF THE DUES PAID TO THIS ORGANIZATION HAS BEEN ALLOCATED TO LOBBYING ACTIVITES PERFORMED ON BEHALF OF THE ORGANIZATION. THIS ALLOCATION AMOUNTED TO $10,117.

THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE HEALTHCARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S ADVOCACY AGENDA CAN BE VIEWED AT THEIR WEBSITE: WWW.AHA.ORG.

DRAFT

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or education)
☐ Protection of natural habitat
☐ Preservation of open space
☑ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

DRAFT

RIDOH 2062

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	7,883,846.	7,156,790.	6,785,603.		
b	Contributions	82,356.	61,410.	91,305.		
c	Net investment earnings, gains, and losses	-108,444.	702,455.	306,023.		
d	Grants or scholarships					
e	Other expenditures for facilities and programs	480,959.				
f	Administrative expenses	43,690.	36,809.	26,141.		
g	End of year balance	7,333,101.	7,883,846.	7,156,790.		

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ _____ %
- b Permanent endowment ▶ 100.0000 %
- c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations		X
(ii)	related organizations		X
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,254,245.		3,254,245.
b Buildings		189,965,534.	81,804,622.	108,160,912.
c Leasehold improvements		10,619,059.	3,944,124.	6,674,935.
d Equipment		137,265,818.	99,894,439.	37,371,379.
e Other		423,130.	0.	423,130.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				155,884,601.

DRAFT

RIDOH 2063

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other		
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) ENDOWMENT FUNDS	7,333,101.	FMV
(2) BOARD DESIGNATED FUNDS	21,942,179.	FMV
(3) SELF-INSURANCE FUNDS	23,314,332.	FMV
(4) TRUSTEE-HELD FUNDS	1,687,946.	FMV
(5) OTHER ASSETS - LT	1,113,087.	FMV
(6) AUCTION RATE SECURITIES	5,249,954.	FMV
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶	60,640,599.	

DRAFT

Part IX Other Assets. See Form 990, Part X, line 15.

	(a) Description	(b) Book value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶		

Part X Other Liabilities. See Form 990, Part X, line 25.

1.	(a) Description of liability	(b) Amount
(1)	Federal income taxes	
(2)	DUE TO AFFILIATES	58,260,636.
(3)	ESTIMATED 3RD PARTY PAYOR STLMENT	23,153,979.
(4)	PENSION PAYABLE	15,711,774.
(5)	OTHER LIABILITIES - LT	1,624,854.
(6)	RESERVE FOR LOSSES	18,945,539.
(7)	GRANT RESERVE	910,861.
(8)		
(9)		
(10)		
(11)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶		118,607,643.

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

RIDOH 2064

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

DRAFT

Part XIV Supplemental Information *(continued)*

ENDOWMENT FUNDS

SCHEDULE D, PART V, QUESTION 4

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE PURPOSES INCLUDE GENERAL PURPOSE, HEALTHCARE SERVICES, INDIGENT CARE AND HEALTH EDUCATION.

TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE

SCHEDULE D, PART X

DRAFT

THE ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CERTAIN CONSOLIDATING SCHEDULES.

THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE ORGANIZATION COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2011 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

RIDOH 2066

SCHEDULE F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2010

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN	1.	1.	PROGRAM SERVICES	FINANCIAL VEHICLE	8,682,298.
(2) EAST ASIA AND THE PACIFIC	2.	7.	GRANTMAKING		242,054.
(3) MIDDLE EAST AND NORTH AFRICA	1.	2.	GRANTMAKING		20,160.
(4) SOUTH AMERICA	2.	4.	GRANTMAKING		53,760.
(5) NORTH AMERICA	3.	6.	GRANTMAKING		33,040.
(6) EUROPE	7.	14.	GRANTMAKING		266,553.
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
3a Sub-total	16.	34.			9,297,865.
b Total from continuation sheets to Part I					
c **Totals** (add lines 3a and 3b)	16.	34.			9,297,865.

DRAFT

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			EAST ASIA/PACIFIC	SUBCONTRACT	240,094.	CHECK			
(2)			NORTH AMERICA	SUBCONTRACT	9,240.	CHECK			FMV
(3)			SOUTH AMERICA	SUBCONTRACT	45,080.	CHECK			
(4)			SOUTH AMERICA	SUBCONTRACT	8,680.	CHECK			
(5)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	62,120.	CHECK			
(6)			NORTH AMERICA	SUBCONTRACT	17,360.	CHECK			
(7)			NORTH AMERICA	SUBCONTRACT	6,440.	CHECK			
(8)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	37,800.	CHECK			
(9)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	21,280.	CHECK			
(10)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	48,753.	CHECK			
(11)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	71,400.	CHECK			
(12)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	8,960.	CHECK			
(13)			EUROPE/ICELAND/GREENLAND	SUBCONTRACT	16,240.	CHECK			
(14)			MIDDLE EAST/NORTH AFRICA	SUBCONTRACT	20,160.	CHECK			
(15)									
(16)									

DRAFT

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ 14.

3 Enter total number of other organizations or entities . . . . . ▶

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)								
(2)								
(3)								
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								
(13)								
(14)								
(15)								
(16)								
(17)								
(18)								

DRAFT

RIDOH 2069

Part IV Foreign Forms

1	Was the organization a U S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)*	[X] Yes	[ ] No
2	Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)*	[ ] Yes	[X] No
3	Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U S Persons with respect to Certain Foreign Corporations. (see Instructions for Form 5471)*	[X] Yes	[ ] No
4	Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)*	[ ] Yes	[X] No
5	Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U S. Persons with respect to Certain Foreign Partnerships. (see Instructions for Form 8865)*	[ ] Yes	[X] No
6	Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)*	[ ] Yes	[X] No

DRAFT

Part V **Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

SCHEDULE F, PART I; QUESTION 2

FOR INTERNATIONAL SUBCONTRACTS: (1) ANNUAL REQUESTS ARE MADE FOR AUDIT CERTIFICATION; (2) ANNUAL REQUESTS ARE MADE FOR MOST UP-TO-DATE POLICIES AND PROCEDURES MANUAL; AND (3) INVOICES ARE REVIEWED AND APPROVED BY PRINCIPAL INVESTIGATOR'S OFFICE AS WELL AS BY THE GRANT MANAGEMENT OFFICE.

DRAFT

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047
2010
Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

	(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
Total ▶							

DRAFT

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

RIDOH 2072

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than $5,000.

		(a) Event #1 SIGNATURE EVENT (event type)	(b) Event #2 TICKLED PINK (event type)	(c) Other Events 1. (total number)	(d) Total events (add col (a) through col. (c))
Revenue	1 Gross receipts	343,348.	56,096.	20,965.	420,409.
	2 Less: Charitable contributions	248,874.	21,922.	17,201.	287,997.
	3 Gross income (line 1 minus line 2)	94,474.	34,174.	3,764.	132,412.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	52,822.	14,087.	665.	67,574.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	41,652.	20,087.	3,099.	64,838.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(132,412.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

9 Enter the state(s) in which the organization operates gaming activities: _____

a Is the organization licensed to operate gaming activities in each of these states? ☐ Yes ☐ No

b If "No," explain: _____

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? ☐ Yes ☐ No

b If "Yes," explain: _____

DRAFT

11 Does the organization operate gaming activities with nonmembers? . . . . . ☐ Yes ☐ No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? . . . . . ☐ Yes ☐ No

13 Indicate the percentage of gaming activity operated in:

a	The organization's facility	13a	%
b	An outside facility	13b	%

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ _____

Address ▶ _____

15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue? . . . . . ☐ Yes ☐ No

b If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.

c If "Yes," enter name and address of the third party:

Name ▶ _____

Address ▶ _____

16 Gaming manager information:

Name ▶ _____

Gaming manager compensation ▶$ _____

Description of services provided ▶ _____

☐ Director/officer ☐ Employee ☐ Independent contractor

17 Mandatory distributions:

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? . . . . . ☐ Yes ☐ No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

DRAFT

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	X	
1b	If "Yes," was it a written policy?	X	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care. ☐ 100% ☐ 150% ☒ 200% ☐ Other _____ %	X	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☒ 300% ☐ 350% ☐ 400% ☐ Other _____ %	X	
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	X	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	X	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?		X
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Did the organization prepare a community benefit report during the tax year?		X
b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			7,801,544.	3,929,905.	3,871,639.	.95
b Unreimbursed Medicaid (from Worksheet 3, column a)			111,562,387.	98,585,229.	12,977,158.	3.19
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)			676,273.	175,603.	500,670.	.12
d Total Financial Assistance and Means-Tested Government Programs			120,040,204.	102,690,737.	17,349,467.	4.26
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			1,468,969.	0.	1,468,969.	.36
f Health professions education (from Worksheet 5)			18,928,349.	154,128.	18,774,221.	4.62
g Subsidized health services (from Worksheet 6)			193,952.	52,810.	141,142.	.03
h Research (from Worksheet 7)			16,296,715.	14,021,161.	2,275,554.	.56
i Cash and in-kind contributions to community groups (from Worksheet 8)			41,307.		41,307.	.01
j Total. Other Benefits			36,929,292.	14,228,099.	22,701,193.	5.58
k Total. Add lines 7d and 7j			156,969,496.	116,918,836.	40,050,660.	9.84

DRAFT

RIDOH 2075

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support			34,235.	0.	34,235.	.01
4 Environmental improvements						
5 Leadership development and training for community members			31,231.	0.	31,231.	.01
6 Coalition building			750.	0.	750.	0.00
7 Community health improvement advocacy			10,263.	0.	10,263.	0.00
8 Workforce development			298,873.	0.	298,873.	.07
9 Other						
10 Total			375,352.	0.	375,352.	.09

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense (at cost) 2 2,325,251.			
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy 3 546,434.			
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	6,496,045.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	7,813,491.
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	-1,317,446.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used.		

☐ Cost accounting system ☒ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Does the organization have a written debt collection policy during the tax year?	9a	X	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	X	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

DRAFT

RIDOH 2076

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 DUDLEY STREET PROVIDENCE RI 02905	X	X		X		X	X		
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

DRAFT

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

		Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)			
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8		
	If "Yes," indicate what the Needs Assessment describes (check all that apply):		
a	☐ A definition of the community served by the hospital facility		
b	☐ Demographics of the community		
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community		
d	☐ How data was obtained		
e	☐ The health needs of the community		
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups		
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs		
h	☐ The process for consulting with persons representing the community's interests		
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs		
j	☐ Other (describe in Part VI)		
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20 __ __		
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI		
5	Did the hospital facility make its Needs Assessment widely available to the public?		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):		
a	☐ Hospital facility's website		
b	☐ Available upon request from the hospital facility		
c	☐ Other (describe in Part VI)		
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):		
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community		
b	☐ Execution of the implementation strategy		
c	☐ Participation in the development of a community-wide community benefit plan		
d	☐ Participation in the execution of a community-wide community benefit plan		
e	☐ Inclusion of a community benefit section in operational plans		
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment		
g	☐ Prioritization of health needs in its community		
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community		
i	☐ Other (describe in Part VI)		
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs		
Financial Assistance Policy			
	Did the hospital facility have in place during the tax year a written financial assistance policy that:		
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?		
9	Used federal poverty guidelines (FPG) to determine eligibility for providing *free* care to low income individuals?		
	If "Yes," indicate the FPG family income limit for eligibility for free care: __ __ __ %		

DRAFT

RIDOH 2078

Part V Facility Information *(continued)* WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _ _ _ %			
11	Explained the basis for calculating amounts charged to patients?	11		
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	☐ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☐ Insurance status			
e	☐ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12		
13	Included measures to publicize the policy within the community served by the hospital facility?	13		
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	☐ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☐ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☐ The policy was posted in the hospital facility's admissions offices			
e	☐ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☐ The policy was available on request			
g	☐ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14		
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16		
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):			
a	☐ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):			
a	☐ Notified patients of the financial assistance policy on admission			
b	☐ Notified patients of the financial assistance policy prior to discharge			
c	☐ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	☐ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e	☐ Other (describe in Part VI)			

DRAFT

Part V Facility Information *(continued)* WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? 18		
	If "No," indicate the reasons why (check all that apply):		
a	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility did not have a policy relating to emergency medical care		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Charges for Medical Care

19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):		
a	☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	☐ The hospital facility used the Medicare rate for those services		
d	☐ Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? 20		
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient? 21		
	If "Yes," explain in Part VI.		

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 44

	Name and address	Type of Facility (describe)
1	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1 BLACKSTONE PLACE PROVIDENCE RI 02903	MEDICAL
2	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 70 ELM STREET PROVIDENCE RI 02905	HOSPITAL LABORATORY
3	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2 DUDLEY STREET PROVIDENCE RI 02905	MEDICAL OFFICE BUILDING
4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 90 PLAIN STREET PROVIDENCE RI 02903	PHYSICIAN PRACTICE
5	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 100 DUDLEY STREET PROVIDENCE RI 02905	PHYSICIAN PRACTICE
6	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 79 PLAIN STREET PROVIDENCE RI 02903	MEDICAL
7	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 DUDLEY STREET PROVIDENCE RI 02905	MEDICAL
8	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 297 PROMENADE STREET PROVIDENCE RI 02908	LAB DRAWING STATION
9	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND ONE RANDALL SQUARE PROVIDENCE RI 02904	LAB DRAWING STATION
10	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 695 EDDY STREET PROVIDENCE RI 02903	MEDICAL, UROGYNECOLOGY & LAB DRAWING STATION

DRAFT

Part V **Facility Information** *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 373 NEW BOSTON ROAD FALL RIVER MA 02724	MEDICAL/PHYSICIAN OFFICES
2	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 407 EAST AVENUE PAWTUCKET RI 02860	LAB DRAWING STATION
3	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 235 PLAIN STREET PROVIDENCE RI 02905	LAB DRAWING STATION
4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 134 THURBERS AVENUE PROVIDENCE RI 02905	HOSPITAL DEPARTMENTS
5	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2168 DIAMOND HILL ROAD WOONSOCKET RI 02895	MEDICAL OFFICE BUILDING & HEALTH EDUCATION
6	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1050 MAIN STREET, UNIT A & B EAST GREENWICH RI 02818	MEDICAL OFFICE BUILDING & HEALTH EDUCATION
7	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 750 WASHINGTON STREET #36 BOSTON MA 02111	IVF TUFT SUITE
8	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 120 DUDLEY STREET PROVIDENCE RI 02905	LAB DRAWING STATION
9	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 11 WELLS STREET WESTERLY RI 02891	LAB DRAWING STATION
10	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 18 IMPERIAL PLACE, SUITE 2G PROVIDENCE RI 02903	LAB DRAWING STATION

DRAFT

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2358 SOUTH COUNTY TRAIL #2 EAST GREENWICH RI 02818	LAB DRAWING STATION
2	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2220 GAR HIGHWAY SWANSEA MA 02777	MEDICAL OFFICE BUILDING
3	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 38 AMARAL STREET EAST PROVIDENCE RI 02915	LAB DRAWING STATION
4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 49 SOUTH COUNTY COMMONS WAY WAKEFIELD RI 02879	MEDICAL OFFICE BUILDING & HEALTH EDUCATION
5	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 200 TOLL GATE ROAD, SUITE 101 WARWICK RI 02886	LAB DRAWING STATION
6	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 215 TOLL GATE ROAD WARWICK RI 02886	LAB DRAWING STATION
7	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1407 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818	LAB DRAWING STATION
8	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 1637 MINERAL SPRING AVENUE NORTH PROVIDENCE RI 02904	LAB DRAWING STATION
9	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 725 RESERVOIR AVENUE CRANSTON RI 02920	LAB DRAWING STATION
10	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 6 WHIPPLE STREET NORTH ATTLEBORO MA 02760	MEDICAL OFFICE BUILDING & HEALTH EDUCATION

DRAFT

Part V **Facility Information** *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 2213 MENDON ROAD WOONSOCKET RI 02895	LAB DRAWING STATION
2	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 333 VALLEY ROAD MIDDLETOWN RI 02842	ALTERNATIVE CARE OFFICE
3	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 900 WARREN AVENUE EAST PROVIDENCE RI 02914	LAB DRAWING STATION
4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 DUDLEY STREET PROVIDENCE RI 02905	MEDICAL
5	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 119 SACHEM STREET NORWICH CT 06360	LAB
6	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 67 BRIGHAM STREET NEW BEDFORD MA 02740	LAB
7	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 300 FAUNCE CORNER ROAD NORTH DARTMOUTH MA 02747	LAB
8	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 17 COCASSET STREET FOXBORO MA 02035	PHYSICIAN PRACTICE
9	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 200 CHESTNUT STREET PROVIDENCE RI 02905	RESEARCH
10	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 50 HOLDEN STREET PROVIDENCE RI 02908	HOSPITAL DEPARTMENT BROWN CENTER - CHILDREN AT RISK

DRAFT

Part V **Facility Information** *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility
(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

	Name and address	Type of Facility (describe)
1	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 247 ROOSEVELT AVENUE PAWTUCKET RI 02860	LAB DRAWING STATION
2	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 107 FAIRHAVEN ROAD MATTAPOISETT MA 02739	PHYSICIAN PRACTICE
3	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 45 MAIN STREET WAREHAM MA 02740	PHYSICIAN PRACTICE
4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 PLAIN STREET PROVIDENCE RI 02903	MEDICAL OFFICE
5		
6		
7		
8		
9		
10		

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ELIGIBILITY FOR DISCOUNTED CARE

SCHEDULE H, PART I, LINE 3C

NOT APPLICABLE.

COMMUNITY BENEFIT REPORT

SCHEDULE H, PART I, LINE 6A

NOT APPLICABLE.

SUBSIDIZED HEALTH SERVICES

SCHEDULE H, PART I, LINE 7G

NO COSTS RELATING TO SUBSIDIZED HEALTHCARE SERVICES ARE ATTRIBUTABLE TO ANY PHYSICIAN CLINICS.

DRAFT

RIDOH 2086

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PERCENT OF TOTAL EXPENSE

SCHEDULE H, PART I, LINE 7, COLUMN (F)

THE BAD DEBT EXPENSE INCLUDED ON FORM 990, PART IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN IS $5,981,693.

FINANCIAL ASSISTANCE AND CERTAIN OTHER COMMUNITY BENEFITS AT COST

SCHEDULE H, PART I, LINE 7

A COST-TO-CHARGE RATIO WAS USED, THE SOURCE BEING THE MEDICARE COST REPORT FOR FY 2011, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, BUT NOT APPROPRIATE FOR PART 1, LINE 7. E.G. REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A-8-2, ADJUSTING PENSION EXPENSE TO GAAP, AND ADJUSTMENTS FOR USEFUL LIVES OF CERTAIN SOFTWARE, REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE). WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7.

DRAFT

RIDOH 2087

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY BUILDING ACTIVITIES

SCHEDULE H, PART II

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND HAS DIRECT INVOLVEMENT IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT PROMOTE AND IMPROVE THE HEALTH STATUS AND GENERAL BETTERMENT OF THE COMMUNITIES SERVED BY THE HOSPITAL. THIS IS ACCOMPLISHED THROUGH SERVICE ON STATE AND REGIONAL ADVOCACY COMMITTEES AND BOARDS, VOLUNTEERISM WITH LOCAL COMMUNITY-BASED NON-PROFIT ADVOCACY GROUPS, AND PARTICIPATION IN CONFERENCES AND OTHER EDUCATIONAL ACTIVITIES TO PROMOTE UNDERSTANDING OF THE ROOT CAUSES OF HEALTH CONCERNS. THIS ORGANIZATION PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION SEMINARS AND OUTREACH SESSIONS FOR ITS PATIENTS AND FOR COMMUNITY PROVIDERS. PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BAD DEBT EXPENSE

SCHEDULE H, PART III, SECTION A, LINE 4

BAD DEBT EXPENSE WAS CALCULATED USING THE ORGANIZATION'S BAD DEBT EXPENSE FROM ITS AUDITED FINANCIAL STATEMENTS, NET OF ACCOUNTS WRITTEN OFF AT CHARGES AND MULTIPLIED BY ITS COST TO CHARGE RATIO.

THE ORGANIZATION AND ITS AFFILIATES PREPARE AND ISSUE AUDITED CONSOLIDATED FINANCIAL STATEMENTS. THE SYSTEM'S ALLOWANCE FOR DOUBTFUL ACCOUNTS (BAD DEBT EXPENSE) METHODOLOGY AND CHARITY CARE POLICIES ARE CONSISTENTLY APPLIED ACROSS ALL HOSPITAL AFFILIATES. THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION.

NET PATIENT SERVICE REVENUE

THE HOSPITALS AND THE AGENCY HAVE INDIVIDUAL AGREEMENTS WITH MANY THIRD-PARTY PAYORS THAT PROVIDE PAYMENTS AT AMOUNTS DIFFERENT FROM THEIR

DRAFT

RIDOH 2089

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER-DIEM PAYMENTS.

NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, AND INCLUDES ESTIMATED RETROACTIVE REVENUE ADJUSTMENTS DUE TO SUCH THINGS AS FUTURE AUDITS AND REVIEWS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN, OR AS YEARS ARE NO LONGER SUBJECT TO SUCH ADJUSTMENTS.

CHARITY CARE

THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CHARITY CARE POLICIES WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES. BECAUSE THE HEALTH SYSTEM DOES NOT PURSUE COLLECTION

DRAFT

RIDOH 2090

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED

AS NET PATIENT REVENUE.

MEDICARE SHORTFALL

SCHEDULE H, PART III, LINE 8

THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED

FY 2011 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED

COSTS, WHICH ARE INCLUDED IN PART I, LINE 7(F). WORKSHEET D-1, LINE 49

DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME

FROM WORKSHEET E, PART B.

BAD DEBT IS COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE

FORM 990, SCHEDULE H, PART I.

THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD

DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE

FORM 990, SCHEDULE H, PART I. AS OUTLINED MORE FULLY BELOW, THE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSES AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS. THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGNITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") §501(C)(3).

THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION UNDER §501(C)(3) OF THE IRC. ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "CHARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDANCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN §501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE POOR OR UNPRIVILEGED; THE PROMOTION OF SOCIAL WELFARE; AND

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE ADVANCEMENT OF EDUCATION, RELIGION, AND SCIENCE. NOTE: IT DOES NOT EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS. IN THE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET TO QUALIFY AS IRC §501(C)(3) CHARITABLE ORGANIZATIONS. THE ORIGINAL STANDARD WAS KNOWN AS THE CHARITY CARE STANDARD. THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD.

CHARITY CARE STANDARD

IN 1956, THE IRS ISSUED REVENUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO QUALIFY FOR IRC §501(C)(3) STATUS. ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE STANDARD." UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL ABILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT. A HOSPITAL THAT EXPECTED FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT THAT SOME

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PATIENTS ULTIMATELY FAILED TO PAY. THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARITY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE. THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZATIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LOW LEVEL OF CHARITY CARE WOULD NOT AFFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHARITABLE DEMANDS.

COMMUNITY BENEFIT STANDARD

IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE[D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATIENTS WITHOUT CHARGE OR AT RATES BELOW COST." UNDER THE STANDARD DEVELOPED IN REVENUE RULING 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHETHER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY.

DRAFT

RIDOH 2094

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE RULING INVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME EMERGENCY ROOM THAT WAS OPEN TO EVERYONE. THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CHARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY. THE IRS REASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GENERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHARITABLE," AS REQUIRED BY TREAS. REG. § 1.501(C)(3)-1(D)(2). THE IRS RULING STATED THAT THE PROMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGION, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE COMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BENEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT OF BENEFIT TO THE COMMUNITY.

THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

OF PERSONS THAT IS BROAD ENOUGH TO BENEFIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH; IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS; AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS.

THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I.

THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION. AS OUTLINED IN THE AHA LETTER TO THE IRS DATED

DRAFT

RIDOH 2096

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS.

- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.

- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT NEGATIVE 5.4 PERCENT.

- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES

DRAFT

RIDOH 2097

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO CALLED "DUAL ELIGIBLES."

THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I. MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT.

BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS:

DRAFT

RIDOH 2098

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOME BELOW 200% OF THE FEDERAL POVERTY LINE."

- THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF BAD DEBT IS PENDING CHARITY CARE.

DRAFT

RIDOH 2099

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- THE CBO CONCLUDED THAT ITS FINDINGS "SUPPORT THE VALIDITY OF THE USE OF UNCOMPENSATED CARE [BAD DEBT AND CHARITY CARE] AS A MEASURE OF COMMUNITY BENEFITS" ASSUMING THE FINDINGS ARE GENERALIZABLE NATIONWIDE; THE EXPERIENCE OF HOSPITALS AROUND THE NATION REINFORCES THAT THEY ARE GENERALIZABLE.

AS OUTLINED BY THE AHA, DESPITE THE HOSPITAL'S BEST EFFORTS AND DUE DILIGENCE, PATIENT BAD DEBT IS A PART OF THE HOSPITAL'S MISSION AND CHARITABLE PURPOSES. BAD DEBT REPRESENTS PART OF THE BURDEN HOSPITALS SHOULDER IN SERVING ALL PATIENTS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. IN ADDITION, THE HOSPITAL INVESTS SIGNIFICANT RESOURCES IN SYSTEMS AND STAFF TRAINING TO ASSIST PATIENTS THAT ARE IN NEED OF FINANCIAL ASSISTANCE.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

DEBT COLLECTION POLICY

SCHEDULE H, PART III, LINE 9B

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR FACING EXTREME HARDSHIPS.

FACILITY POLICIES AND PRACTICES

SCHEDULE H, PART V

NOT APPLICABLE.

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NEEDS ASSESSMENT

SCHEDULE H, PART VI, QUESTION 2

THE ORGANIZATION CONTINUALLY REVIEWS AND EVALUATES CURRENT AND PROPOSED PROGRAMS TO ENSURE THAT PROGRAMS OFFERING THE MOST BENEFIT WILL CONTINUE TO BE SUPPORTED BY THE HOSPITAL. THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES: OBJECTIVE 5: RESPONSIBLE SEXUAL BEHAVIOR, OBJECTIVE 6: MENTAL HEALTH, OBJECTIVE 7: INJURY AND VIOLENCE, OBJECTIVE 9: IMMUNIZATION AND OBJECTIVE 10: ACCESS TO HEALTHCARE. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE

SCHEDULE H, PART VI, QUESTION 3

AS A NOT FOR-PROFIT ENTITY, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 'S FIRST CONSIDERATION IN THE ADMISSION AND PLACEMENT OR TREATMENT OF ANY PATIENT IS THE PATIENT'S MEDICAL NEEDS. SOME PATIENTS HESITATE TO OBTAIN

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NECESSARY CARE BECAUSE OF THEIR FINANCIAL CONCERNS. A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. ALSO, IT IS PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON THE ORGANIZATION'S WEBSITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY THE PATIENT POPULATION IN ACCORDANCE WITH THE APPLICABLE "STANDARDS FOR CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES IN HEALTHCARE" (STANDARDS 4 AND 7, BASED ON TITLE VI OF THE CIVIL RIGHTS ACT OF 1964). UNINSURED AND UNDERINSURED PATIENTS ARE COUNSELED AT THE POINT OF SERVICE OR DURING THE BILLING PROCESS ABOUT ANY FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY BE ELIGIBLE FOR, AND ASSISTANCE WITH APPLICATIONS IS ALSO PROVIDED.

COMMUNITY INFORMATION

SCHEDULE H, PART VI, QUESTION 4

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 'S PRIMARY SERVICE AREA CONSISTS OF A SUBURBAN POPULATION IN PROVIDENCE, RHODE ISLAND WITH A TOTAL POPULATION OF 178,042. THE AVERAGE HOUSEHOLD INCOME IS $36,925 AND 26.3

DRAFT

RIDOH 2103

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PERCENT OF THE POPULATION HAS INCOME BELOW THE POVERTY LEVEL. TWENTY FOUR HOSPITALS SERVE THE PRIMARY SERVICE AREA AND A SIGNIFICANT PERCENT OF HOSPITAL DISCHARGES ARE MEDICARE, MEDICAID AND UNINSURED PATIENTS. AS OF THE 2008 AMERICAN COMMUNITY SURVEY CONDUCTED BY THE U.S. CENSUS BUREAU, PROVIDENCE CONSISTED OF THE FOLLOWING GROUPS: 49.8% OF THE POPULATION WERE CAUCASIAN, 38.1% OF THE POPULATION WERE HISPANICS AND LATINOS OF ANY RACE AND 16% WERE BLACK OR AFRICAN AMERICAN.

PROMOTION OF COMMUNITY HEALTH

SCHEDULE H, PART VI, QUESTION 5

THE ORGANIZATION AND THE ENTIRE CARE NEW ENGLAND HEALTH SYSTEM PROMOTE THE HEALTH OF THE COMMUNITY ON A DAILY BASIS THROUGHOUT THE YEAR. THE SYSTEM COORDINATES AND OFFERS NUMEROUS COMMUNITY BENEFIT PROGRAMS, ACTIVITIES AND SUPPORT GROUPS TO THE COMMUNITY. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

DRAFT

RIDOH 2104

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

AFFILIATED HEALTH CARE SYSTEM

SCHEDULE H, PART VI, QUESTION 6

OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE THE CARE NEW ENGLAND HEALTH SYSTEM.

NOT FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

CARE NEW ENGLAND HEALTH SYSTEM

CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF THE CARE NEW ENGLAND HEALTH SYSTEM ("CNE"). THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS. THIS ORGANIZATION IS THE SOLE MEMBER OR STOCKHOLDER OF EACH AFFILIATED ENTITY. CNE IS AN INTEGRATED SYSTEM OF HEALTHCARE PROVIDERS THROUGHOUT THE STATE OF RHODE ISLAND.

CARE NEW ENGLAND HEALTH SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

AS THE PARENT ORGANIZATION, CARE NEW ENGLAND HEALTH SYSTEM STRIVES TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF RHODE ISLAND AND SURROUNDING COMMUNITIES. CARE NEW ENGLAND HEALTH SYSTEM ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES. CNE'S ACTIVE HOSPITALS INCLUDE BUTLER HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND KENT COUNTY MEMORIAL HOSPITAL. EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

1. EACH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL

DRAFT

RIDOH 2106

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE,
SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. EACH OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS, WHICH IS OPEN
24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. EACH MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL
QUALIFIED PHYSICIANS;

4. CONTROL OF EACH RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF
DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF
A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF
THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND
AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND
ACTIVITIES.

DRAFT

RIDOH 2107

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BUTLER HOSPITAL

BUTLER HOSPITAL IS A 117-BED NON-PROFIT PRIVATE, NON-PROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN, AND SENIORS LOCATED IN PROVIDENCE, RHODE ISLAND. BUTLER HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, BUTLER HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

KENT COUNTY MEMORIAL HOSPITAL

WOMEN & INFANTS CORPORATION IS A 359-BED NON-PROFIT ACUTE CARE HOSPITAL LOCATED IN WARWICK, RHODE ISLAND. KENT COUNTY MEMORIAL HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES,

DRAFT

RIDOH 2108

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY. MOREOVER, KENT COUNTY MEMORIAL HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545.

KENT COUNTY VISITING NURSE ASSOCIATION

KENT COUNTY VISITING NURSE ASSOCIATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §170(B)(1)(A)(VI). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

KENT HOSPITAL FOUNDATION

KENT HOSPITAL FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF KENT COUNTY MEMORIAL HOSPITAL; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN & INFANTS DEVELOPMENT FOUNDATION

WOMEN & INFANTS DEVELOPMENT FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3).

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND; A RELATED INTERNAL REVENUE CODE §501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN & INFANTS CORPORATION

WOMEN & INFANTS CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(3). THE ORGANIZATION IS THE PARENT ENTITY OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND ITS AFFILIATES, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

PALOMAR GROUP, INC.

DRAFT

RIDOH 2111

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PALOMAR GROUP, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WIH FACULTY PHYSICIANS, INC.

WIH FACULTY PHYSICIANS, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

HEALTH TOUCH, INC.

DRAFT

RIDOH 2112

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

HEALTH TOUCH, INC. IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE §501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE §509(A)(2). THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY.

WOMEN AND & INFANTS ANCILLARY SERVICES, L.L.C. AND WOMEN & INFANTS HEALTH CARE ALLIANCE, L.L.C. ARE SINGLE MEMBER LIMITED LIABILITY COMPANIES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND.

FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES:

W&I INDEMNITY LTD.

AN ENTITY 100% OWNED BY WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND

DRAFT

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospitals facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CAYMAN.

TOLL GATE INDEMNITY LTD.

AN ENTITY 100% OWNED BY KENT COUNTY MEMORIAL HOSPITAL. THIS ENTITY THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN.

STATE FILING OF COMMUNITY BENEFIT REPORT

SCHEDULE H, PART VI, QUESTION 7

NOT APPLICABLE. THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN RHODE ISLAND. NO COMMUNITY BENEFIT REPORT IS FILED WITH THE STATE OF RHODE ISLAND.

DRAFT

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Part II can be duplicated if additional space is needed . . . . . ▶[ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1) BROWN UNIVERSITY CONTROLLER'S OFC BOX J PROVIDENCE, RI 02912	05-0258809	501(C)(3)	664,960.				PROGRAM SUPPORT
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1.

3 Enter total number of other organizations . . . . . ▶ 0.

DRAFT

RIDOH 2115

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

GRANT FUND MONITORING

SCHEDULE I, PART I; QUESTION 2

GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE UTILIZATION OF COST CENTERS AND OTHER INFORMATION; INCLUDING WRITTEN DOCUMENTATION AND RECEIPTS.

DRAFT

RIDOH 2116

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel ☐ Travel for companions ☐ Tax indemnification and gross-up payments ☐ Discretionary spending account ☐ Housing allowance or residence for personal use ☐ Payments for business use of personal residence ☐ Health or social club dues or initiation fees ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
	☒ Compensation committee ☒ Independent compensation consultant ☐ Form 990 of other organizations ☐ Written employment contract ☒ Compensation survey or study ☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment from the organization or a related organization?	X	
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement?		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization?		X
b	Any related organization?		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization?	X	
b	Any related organization?	X	
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	X	
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?		

DRAFT

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOANNA CAIN MD	(i)	524,042.	90,000.	19,747.	0.	12,618.	646,407.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 CONSTANCE A HOWES JD FA	(i)	515,582.	177,000.	116,877.	111,963.	11,379.	932,801.	60,640.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 JAMES F PADBURY MD	(i)	395,517.	70,000.	94,072.	69,884.	11,549.	641,022.	75,128.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 MAUREEN PHIPPS MD MPH	(i)	259,588.	28,893.	17,704.	0.	19,160.	325,345.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 MARK MARCANTANO	(i)	352,151.	105,400.	12,232.	0.	11,705.	481,488.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 JOHN M SUTHERLAND III	(i)	410,595.	121,000.	74,107.	96,085.	22,206.	723,993.	44,821.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 DEBRA M PAUL CPA MBA	(i)	311,662.	93,000.	92,675.	22,673.	4,268.	524,278.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 RAYMOND POWRIE MD	(i)	333,846.	100,000.	22,772.	0.	10,482.	467,100.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 GAIL COSTA	(i)	239,642.	73,000.	84,072.	96,661.	14,285.	507,660.	51,807.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10 KAREN DAVIE	(i)	205,554.	66,300.	92,147.	22,191.	14,627.	400,819.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
11 PAULA GILLETTE (TERM 10	(i)	215,193.	68,300.	21,287.	0.	9,147.	313,927.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
12 CORNELIUS GRANNAI MD	(i)	544,180.	28,000.	20,207.	0.	14,773.	607,160.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
13 THOMAS R COURAGE ESQ	(i)	308,808.	93,000.	102,819.	92,150.	18,103.	614,880.	65,512.
	(ii)	0.	0.	0.	0.	0.	0.	0.
14 MAYBELLE KERNAN	(i)	212,697.	67,000.	71,310.	44,286.	8,599.	403,892.	48,277.
	(ii)	0.	0.	0.	0.	0.	0.	0.
15 ELIAS NEUJAHR	(i)	160,682.	47,000.	304.	0.	9,847.	217,833.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
16 THOMAS HUGHES	(i)	152,531.	32,453.	3,818.	0.	3,619.	192,421.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.

DRAFT

RIDOH 2118

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1 JOSEPH RODA	(i)	137,100.	28,049.	5,370.	0.	619.	171,138.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
2 WILLIAM LAWRENCE MD	(i)	428,590.	73,000.	19,359.	0.	11,555.	532,504.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
3 KAREN ROSENE MONTELLA M	(i)	424,520.	47,251.	21,402.	0.	1,188.	494,361.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
4 PAUL DISILVESTRO MD	(i)	402,546.	49,756.	17,737.	0.	9,501.	479,540.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
5 RICHARD MOORE MD	(i)	444,694.	23,249.	1,710.	0.	9,457.	479,110.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
6 KATHERINE WENSTROM MD	(i)	413,186.	21,540.	18,182.	0.	919.	453,827.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
7 PATRICE DIMARIO	(i)	143,051.	55,330.	172,361.	45,401.	12,259.	428,402.	49,482.
	(ii)	0.	0.	0.	0.	0.	0.	0.
8 JANET SCHIPPER	(i)	202,751.	14,120.	3,587.	0.	8,990.	229,448.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
9 DANIEL MICHAUD	(i)	137,979.	0.	24,963.	0.	6,602.	169,544.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
10	(i)							
	(ii)							
11	(i)							
	(ii)							
12	(i)							
	(ii)							
13	(i)							
	(ii)							
14	(i)							
	(ii)							
15	(i)							
	(ii)							
16	(i)							
	(ii)							

DRAFT

RIDOH 2119

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

PART VII AND SCHEDULE J

TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2010 FORMS W-2 AND 1099 (IF APPLICABLE).

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 4A

PATRICE DIMARIO, FORMER SENIOR VICE PRESIDENT OF PATIENT SUPPORT SERVICES, RECEIVED A SEVERANCE PAYMENT IN THE AMOUNT OF $80,980. THIS AMOUNT WAS INCLUDED IN HER 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES.

DRAFT

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 4B

THE AMOUNT REFLECTED IN COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE NO

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES: CONSTANCE A. HOWES, J.D., FACHE, $60,640; JAMES F. PADBURY, M.D., $75,128; JOHN M. SUTHERLAND, III, $44,821; GAIL COSTA, $51,807; THOMAS R. COURAGE, ESQ., $65,512; MAYBELLE KERNAN, $48,277 AND PATRICE DIMARIO, $49,482.

THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN THE INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE WAGES: CONSTANCE A. HOWES, J.D., FACHE, $79,792; JAMES F. PADBURY, M.D., $69,884; JOHN M. SUTHERLAND, III, $55,852; GAIL COSTA, $47,960; THOMAS R. COURAGE, ESQ., $60,695 AND MAYBELLE KERNAN, $44,286.

DRAFT

RIDOH 2121

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 6A & 6B

THE EXECUTIVE COMPENSATION PACKAGE FOR VARIOUS INDIVIDUALS REPORTED ON THIS FORM 990 CONSISTS OF BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE AT-RISK COMPENSATION IS COMPRISED OF BOTH SHORT-TERM AND LONG-TERM FACTORS AS FOLLOWS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL AND PATIENT SATISFACTION.

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE

DRAFT

RIDOH 2122

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION AND STRATEGIC OBJECTIVE.

COMPENSATION INFORMATION

SCHEDULE J, PART I; QUESTION 7

CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2010 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.

DRAFT

COMPENSATION INFORMATION

SCHEDULE J, PART II; COLUMN F

THE AMOUNT REPORTED IN SCHEDULE J, PART II, COLUMN F FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG TERM INCENTIVE PLAN BECAUSE THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF

RIDOH 2123

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

COMPLETE FORFEITURE. THIS AMOUNT WAS TREATED AS TAXABLE INCOME AND

REPORTED ON EACH INDIVIDUAL'S 2010 FORM W-2, BOX 5, AS TAXABLE MEDICARE

WAGES: CONSTANCE A. HOWES, J.D., FACHE, $60,640; JAMES F. PADBURY, M.D.,

$75,128; JOHN M. SUTHERLAND, III, $44,821; GAIL COSTA, $51,807; THOMAS R.

COURAGE, ESQ., $65,512; MAYBELLE KERNAN, $48,277 AND PATRICE DIMARIO,

$49,482. THESE AMOUNTS WERE REPORTED ON PRIOR YEAR FORMS 990 AS AT-RISK

NON-TAXABLE DEFERRED COMPENSATION IN SCHEDULE J, PART II, COLUMN C.

DRAFT

RIDOH 2124

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ **Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.**
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	No
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

	(a) Name of interested person and purpose	(b) Loan to or from the organization? To	From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	No	(f) Approved by board or committee? Yes	No	(g) Written agreement? Yes	No
(1)											
(2)											
(3)											
(4)											
(5)											
(6)											
(7)											
(8)											
(9)											
(10)											
Total	. . . . . ▶ $										

Part III Grants or Assistance Benefiting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			
(7)			
(8)			
(9)			
(10)			

DRAFT

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

	(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
(1)	ROBERTS, CARROLL, FELDSTEIN & PEIRCE	PLEASE REFER TO PART V	640,105.	PROFESSIONAL SERVICES		X
(2)	JAMES A. O'BRIEN	DIRECTOR, GALVIN	339,658.	HOSPITAL EMPLOYEE		X
(3)	DELTA DENTAL	PLEASE REFER TO PART V	2,261,180.	INSURANCE		X
(4)	BANK OF AMERICA	PLEASE REFER TO PART V	1,113,629.	MORTGAGE & LEASE PAYMENTS		X
(5)						
(6)						
(7)						
(8)						
(9)						
(10)						

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS

SCHEDULE L, PART IV

THE SPOUSE OF CONSTANCE A. HOWES, J.D., FACHE IS A PARTNER IN THE LAW FIRM OF ROBERTS, CARROLL, FELDSTEIN & PEIRCE. THIS ORGANIZATION UTILIZED THE SERVICES OF THIS FIRM DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2011. TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED $640,105. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS.

A DIRECTOR OF THIS ORGANIZATION, CYNTHIA S. REED, IS AN OFFICER OR KEY EMPLOYEE OF DELTA DENTAL. THIS ORGANIZATION UTILIZED DELTA DENTAL FOR ITS DENTAL INSURANCE PLAN FOR EMPLOYEES DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2011. TOTAL DENTAL INSURANCE PREMIUMS PAID BY THE ORGANIZATION TO THIS COMPANY TOTALED $2,261,180. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS.

A DIRECTOR OF THIS ORGANIZATION, WILLIAM F. HATFIELD, IS AN OFFICER OR KEY EMPLOYEE OF BANK OF AMERICA. THIS ORGANIZATION UTILIZED BANK OF

DRAFT

Part IV Business Transactions Involving Interested Persons.
Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

Part V Supplemental Information
Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

AMERICA FOR CERTAIN MORTGAGES AND CAPITAL LEASES DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2011. TOTAL MORTGAGE PAYMENTS (INCLUDING PRINCIPAL AND INTEREST) MADE BY THE ORGANIZATION TO THIS COMPANY TOTALED $386,567 AND TOTAL CAPITAL LEASE PAYMENTS MADE BY THE ORGANIZATION TO THIS COMPANY TOTALED $727,062. SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS.

DRAFT

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2010

Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1	Art - Works of art				
2	Art - Historical treasures				
3	Art - Fractional interests				
4	Books and publications				
5	Clothing and household goods				
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities - Publicly traded	X	2.	28,863.	FMV
10	Securities - Closely held stock				
11	Securities - Partnership, LLC, or trust interests				
12	Securities - Miscellaneous				
13	Qualified conservation contribution - Historic structures				
14	Qualified conservation contribution - Other				
15	Real estate - Residential				
16	Real estate - Commercial				
17	Real estate - Other				
18	Collectibles				
19	Food inventory				
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(_____)				
26	Other ▶(_____)				
27	Other ▶(_____)				
28	Other ▶(_____)				

DRAFT

			Yes	No
29	Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement	29		
30 a	During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32 a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II.			
33	If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

NON-CASH GIFTS

SCHEDULE M, PART I; QUESTION 32A

THE HOSPITAL USES THE SERVICES OF MERRILL LYNCH FOR DONATIONS OF STOCK. ANY COMMISSIONS PAID REGARDING THESE SERVICES WERE FAIR MARKET VALUE ON AN ARMS-LENGTH BASIS.

DRAFT

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.
▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

COMMUNITY BENEFIT STATEMENT

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND ("WOMEN & INFANTS") IS A NOT FOR-PROFIT LICENSED COMPREHENSIVE NEWBORN CHILDREN AND WOMEN HOSPITAL. WOMEN & INFANTS IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, WOMEN & INFANTS PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, RELIGION, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, WOMEN & INFANTS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545:

DRAFT

1. WOMEN & INFANTS PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS;

2. WOMEN & INFANTS OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS; WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR;

3. WOMEN & INFANTS MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS;

4. CONTROL OF WOMEN & INFANTS RESTS WITH ITS BOARD OF TRUSTEES AND THE

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

BOARD OF TRUSTEES OF CARE NEW ENGLAND HEALTH SYSTEM. BOTH BOARDS ARE COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY; AND

5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE; PROGRAMS AND ACTIVITIES.

THE OPERATIONS OF WOMEN & INFANTS, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THE HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF WOMEN & INFANTS IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.

DRAFT

HISTORY

=======

WOMEN & INFANTS IS AN AFFILIATE WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM ("CARE NEW ENGLAND"). CARE NEW ENGLAND IS THE TAX-EXEMPT PARENT OF THE HEALTH SYSTEM. THIS TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS.

WOMEN & INFANTS IS A NOT FOR-PROFIT LICENSED COMPREHENSIVE NEWBORN

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

CHILDREN AND WOMEN HOSPITAL WITH 167 ADULT BEDS (45 MEDICAL/SURGICAL AND 122 OBSTETRICS), 80 NEONATAL INTENSIVE CARE UNIT BEDS, 60 NEWBORN BASSINETS AND 10 OPERATING ROOMS. DURING FISCAL YEAR 2010, WOMEN & INFANTS RECORDED 21,363 DISCHARGES OF PATIENTS FOR INPATIENT SERVICES, 142,577 OUTPATIENT VISITS, 37,871 EMERGENCY ROOM VISITS AND 201,811 TOTAL VISITS AND DISCHARGES. WOMEN & INFANTS RECORDED 8,528 DELIVERIES IN FISCAL YEAR 2010, INCLUDING 128 BABIES WHO WERE DELIVERED IN THE HOSPITAL'S ALTERNATIVE BIRTHING CENTER. WOMEN & INFANTS ANNUALLY EMPLOYS APPROXIMATELY 3,000 FULL-TIME, PART-TIME AND PER DIEM EMPLOYEES.

CARE NEW ENGLAND HEALTH SYSTEM WAS FORMED IN FEBRUARY 1996 BY FOUNDING MEMBERS BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND. THESE THREE HOSPITALS ARE ALL INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS.

IN JUNE 1999, KENT COUNTY VISITING NURSE ASSOCIATION BECAME A MEMBER OF THE CARE NEW ENGLAND FAMILY, AND LATER THAT YEAR ANNOUNCED ITS NAME CHANGE TO VNA OF CARE NEW ENGLAND. IN 2000, HEALTHTOUCH, INC., A PRIVATE DUTY NURSING SERVICE, JOINED THE DIVISION. TODAY, VNA OF CARE NEW ENGLAND PROVIDES A BROAD SPECTRUM OF HOME HEALTH AND HOSPICE SERVICES.

CARE NEW ENGLAND'S STRENGTHS ARE BASED ON COMPLEMENTARY PROGRAMS AND DISTINCTIVE COMPETENCIES OF OUR PARTNER HOSPITALS AND AGENCIES. BUTLER HOSPITAL OFFERS EXPERTISE IN BEHAVIORAL HEALTH AND SUBSTANCE ABUSE. KENT PROVIDES A FULL CADRE OF PRIMARY AND SECONDARY ACUTE CARE SERVICES. WOMEN

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

& INFANTS SPECIALIZES IN THE HEALTH NEEDS OF WOMEN AND NEWBORN CHILDREN. VNA OF CARE NEW ENGLAND PROVIDES A SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING SERVICES. CARE NEW ENGLAND WELLNESS CENTER OFFERS AN ARRAY OF REHABILITATION, WELLNESS, FITNESS AND EDUCATIONAL PROGRAMS. AS A RESULT, CARE NEW ENGLAND IS WELL POSITIONED TO TRANSITION INTO THE NEW ERA OF HEALTHCARE DELIVERY WITH A HIGH QUALITY CONTINUUM OF CARE.

CARE NEW ENGLAND IS DEDICATED TO THE ADVANCEMENT OF MEDICAL EDUCATION AND RESEARCH. BUTLER HOSPITAL SERVES AS THE PRINCIPAL TEACHING AFFILIATE FOR PSYCHIATRY AND HUMAN BEHAVIOR FOR THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY. WOMEN & INFANTS IS BROWN UNIVERSITY'S PRIMARY AFFILIATE IN OBSTETRICS, GYNECOLOGY AND NEWBORN PEDIATRICS, AND KENT IS AFFILIATED WITH THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE.

DRAFT

CARE NEW ENGLAND PROVIDES MEDICALLY NECESSARY HEALTHCARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT AMOUNTS LESS THAN THE ESTABLISHED RATES. BECAUSE CARE NEW ENGLAND DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS REVENUE. CHARITY CARE INCLUDES SERVICES TO UNINSURED PATIENTS WHO CARE NEW ENGLAND HAS DETERMINED QUALIFY FOR CHARITY CARE UNDER CARE NEW ENGLAND POLICIES. SERVICES TO UNINSURED PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE OR WHO CARE NEW ENGLAND WAS NOT ABLE TO DETERMINE THEIR ELIGIBILITY ARE NOT REPORTED AS CHARITY CARE BUT REPORTED IN THE PROVISION FOR BAD DEBTS.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ADDITIONALLY, CARE NEW ENGLAND SPONSORS CERTAIN OTHER PROGRAMS WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY. SUCH PROGRAMS INCLUDE SERVICES TO NEEDY POPULATIONS INCLUDING COMMUNITY SERVICE PROGRAMS AND SERVICES FOR SCHOOL-AGED CHILDREN AND THE ELDERLY. CARE NEW ENGLAND ALSO ACTIVELY SPONSORS PROGRAMS ON HEALTH EDUCATION AND WELLNESS.

CARE NEW ENGLAND MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVEL OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES. THESE RECORDS INCLUDE THE AMOUNT OF CHARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CHARITY AND COMMUNITY SERVICE POLICIES.

DRAFT

MISSION

=======

WOMEN & INFANTS, A TEACHING HOSPITAL OF THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, IS COMMITTED TO IMPROVING THE HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

VISION

======

WOMEN & INFANTS WILL BE THE RECOGNIZED LEADER IN HEALTHCARE FOR WOMEN AND INFANTS.

RIDOH 2134

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

VALUES

=======

AS A MEMBER OF THE CARE NEW ENGLAND HEALTH SYSTEM, WE PUT OUR PATIENTS AND THEIR FAMILIES AT THE CENTER OF ALL WE DO. IN OUR DAY-TO-DAY INTERACTIONS WITH PATIENTS, FAMILIES, AND EACH OTHER, OUR ACTIONS AND DECISIONS ARE GUIDED BY THE FOLLOWING CORE VALUES:

- COMPASSION: WE TREAT EVERYONE WITH UNDERSTANDING AND CARING.

- NEW IDEAS: WE ENCOURAGE LIFELONG LEARNING, CONTINUAL IMPROVEMENT, AND INNOVATION.

- EXCELLENCE: WE DEMONSTRATE UNPARALLELED QUALITY IN ALL WE DO.

- COLLABORATION: WE WORK IN PARTNERSHIP WITH THOSE AROUND US, INCLUDING OUR PATIENTS AND THEIR FAMILIES.

- ACCOUNTABILITY: WE HOLD OURSELVES ACCOUNTABLE FOR THE IMPACT OF OUR DECISIONS.

- RESPECT: WE TREAT EACH PERSON WITH DIGNITY, RESPECTING THE DIVERSE NEEDS OF THOSE WE SERVE.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- ETHICS: WE HOLD OURSELVES TO THE HIGHEST ETHICAL STANDARDS.

AWARDS & RECOGNITIONS

==========

WOMEN & INFANTS HAS RECEIVED THE FOLLOWING AWARDS AND RECOGNITIONS:

- 2011 - RANKED NUMBER ONE IN THE PROVIDENCE METRO AREA IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS
- 2011 - RANKED A BEST HOSPITAL IN GYNECOLOGY IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS
- 2011 - RANKED A BEST HOSPITAL IN CANCER IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS
- 2011 - NAMED A U.S. NEWS BEST CHILDREN'S HOSPITALS IN NEONATOLOGY
- 2010 - NAMED A U.S. NEWS BEST HOSPITAL IN GYNECOLOGY
- 2002 - NAMED ONE OF THE TOP TEN PLACES IN THE U.S. TO DELIVER A BABY BY FIT PREGNANCY MAGAZINE
- 2001 - NAMED ONE OF THE BEST HOSPITALS IN GYNECOLOGY IN THE AMERICA'S BEST HOSPITALS IN U.S. NEWS & WORLD REPORT
- 2000 - NAMED ONE OF THE BEST HOSPITALS IN GYNECOLOGY IN THE AMERICA'S BEST HOSPITALS IN U.S. NEWS & WORLD REPORT

CENTERS OF EXCELLENCE

==========

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

WOMEN & INFANTS HAS THE FOLLOWING CENTERS OF EXCELLENCE:

- A CENTER OF EXCELLENCE FOR REPRODUCTIVE HEALTH RESOURCES, OPTUM HEALTH
- A BREAST CENTER OF EXCELLENCE, AMERICAN COLLEGE OF RADIOGRAPHY
- A CENTER FOR INVITRO MATURATION EXCELLENCE, SAGE IN VITRO FERTILIZATION
- A CENTER OF BIOMEDICAL RESEARCH EXCELLENCE, NATIONAL INSTITUTES OF HEALTH
- A NEONATAL RESOURCE SERVICES CENTER OF EXCELLENCE
- A MEMBER OF THE NATIONAL CANCER INSTITUTE'S GYNECOLOGIC ONCOLOGY GROUP
- A BROWN UNIVERSITY/WOMEN & INFANTS NATIONAL CENTER OF EXCELLENCE IN WOMEN'S HEALTH BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

WOMEN & INFANTS IS AN ACCOMPLISHED TEACHING HOSPITAL. WE ARE

- THE PRIMARY TEACHING AFFILIATE IN OBSTETRICS, GYNECOLOGY AND NEWBORN PEDIATRICS FOR THE DEPARTMENTS OF OBSTETRICS AND GYNECOLOGY AND PEDIATRICS AT THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY.

- AN EDUCATIONAL LEADER: WOMEN & INFANTS OFFERS NATIONALLY-ACCREDITED FELLOWSHIPS IN MATERNAL-FETAL MEDICINE, GYNECOLOGIC ONCOLOGY, BREAST SURGERY, REPRODUCTIVE ENDOCRINOLOGY, UROGYNECOLOGY, NEONATOLOGY AND

DRAFT

RIDOH 2137

SPECIAL FELLOWSHIPS IN BREAST CYTOLOGY AND OBSTETRIC MEDICINE. THIS INCLUDES THE NATION'S ONLY FELLOWSHIP THAT COMBINES ADVANCED STUDY IN GYNECOLOGIC ONCOLOGY WITH BREAST CARE.

- SCHOLARS AND LEADERS: BARBARA O'BRIEN, MD, A FACULTY PHYSICIAN IN THE DIVISION OF MATERNAL-FETAL MEDICINE, WAS ACCEPTED INTO THE SCHOLARS AND LEADERS PROGRAM OF THE ASSOCIATION OF PROFESSORS OF OBSTETRICS AND GYNECOLOGY IN 2010. THE AWARD WILL PROVIDE HER WITH THE NECESSARY TOOLS TO ACCOMPLISH OUTSTANDING TEACHING AND EDUCATIONAL RESEARCH, HELPING HER BECOME A BETTER EDUCATOR AND DESIGN CURRICULUM STANDARDS FOR STUDENTS, RESIDENTS AND FELLOWS. SHE JOINS EIGHT PRIOR SCHOLARS FROM WOMEN & INFANTS/BROWN UNIVERSITY.

DRAFT

WOMEN & INFANTS IS THE PREMIER PLACE FOR MOTHERS AND NEWBORNS

- MORE THAN 73% OF ALL NEWBORNS IN RHODE ISLAND ARE DELIVERED AT WOMEN & INFANTS.

- WOMEN CAN CHOOSE TO GIVE BIRTH EITHER IN ONE OF 19 PRIVATE LABOR/DELIVERY/RECOVERY ROOMS OR IN THE HOSPITAL'S ALTERNATIVE BIRTHING CENTER (ABC), ONE OF ONLY THREE SUCH CENTERS IN NEW ENGLAND.

- AN OBSTETRIC TRIAGE UNIT PROVIDES IMMEDIATE, EXPERT EVALUATION OF LABORING WOMEN AND HOUSES THE HOSPITAL'S FETAL EVALUATION UNIT.

RIDOH 2138

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

WOMEN & INFANTS LEADS THE NATION IN SPECIAL CARE FOR NEWBORNS

==========

- THE HOSPITAL HOUSES THE LARGEST SINGLE-FAMILY ROOM NEONATAL INTENSIVE CARE UNIT (NICU) IN THE NATION. PATIENTS, STAFF AND FAMILY SATISFACTION HAS BEEN EXTRAORDINARY IN THE NEW NICU.

- THE NEW, TWO-STORY NICU GIVES EACH FAMILY ITS OWN ROOM, WITH DEDICATED SPACE ON EACH FLOOR FOR FAMILIES AND STAFF. EACH CHILD AND FAMILY NOW HAS AN APPROPRIATE ENVIRONMENT FOR INDIVIDUALIZED CARE AND PRIVACY.

- THE NICU IS THE LARGEST IN SOUTHEASTERN NEW ENGLAND WITH MORE THAN 1,200 ADMISSIONS LAST YEAR. MORE THAN 165 OF THOSE WERE HIGH-RISK BABIES WHO WERE BROUGHT TO THE HOSPITAL BY OUR SPECIAL CARE TEAM FROM OTHER HOSPITALS IN THE REGION FOR SURGERY OR SPECIALIZED CARE AND EVALUATION.

DRAFT

- PATIENTS AND FAMILIES IN THE NICU HAVE ACCESS TO ALL THE PEDIATRIC AND SURGICAL SPECIALISTS AT HASBRO CHILDREN'S HOSPITAL THROUGH THE LARGER DEPARTMENT OF PEDIATRICS AT THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY.

- THE BROWN CENTER FOR THE STUDY OF CHILDREN AT RISK PROVIDES CLINICAL SERVICES, RESEARCH AND TRAINING IN THE PSYCHOLOGICAL, BEHAVIORAL, EMOTIONAL AND SOCIAL ASPECTS OF INFANTS AND CHILDREN UP TO SIX YEARS OF

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

AGE. SERVICES INCLUDE A COLIC CLINIC, PSYCHOSOCIAL AND OCCUPATIONAL THERAPY IN THE NICU/SPECIAL CARE NURSERY, A BEHAVIOR AND DEVELOPMENT CLINIC FOR TODDLERS THROUGH PRESCHOOLERS, AND THE HEALTHY EARLY RELATIONSHIPS (HER) PROGRAM.

- THE DEPARTMENT OF PEDIATRICS AT WOMEN & INFANTS AND THE BROWN CENTER FOR CHILDREN ARE CONDUCTING A LONG-TERM, PROSPECTIVE STUDY OF THE IMPACT OF THE SINGLE-FAMILY ROOM NICU ON INFANT OUTCOMES. RESEARCHERS BELIEVE THE STUDY OF THE NEW NICU WILL SET THE STANDARD FOR CARE OF PREMATURE AND HIGH-RISK INFANTS LONG INTO THE FUTURE.

- THE NICU IN 2010 WAS NAMED A CENTER OF EXCELLENCE FOR THE FOURTH CONSECUTIVE YEAR BY UNITED HEALTH AND OPTUMHEALTH NEONATAL RESOURCE SERVICES.

DRAFT

WOMEN & INFANTS OFFERS INCOMPARABLE SPECIAL CARE IN PREGNANCY

==========

- THROUGH ITS DIVISIONS OF MATERNAL-FETAL MEDICINE AND OBSTETRIC MEDICINE, WOMEN & INFANTS OFFERS CLINICAL AND EDUCATIONAL SERVICES FOR WOMEN WITH BOTH MATERNAL AND FETAL COMPLICATIONS IN PREGNANCY.

- WITH HASBRO CHILDREN'S HOSPITAL, WOMEN & INFANTS OFFERS ONE OF ONLY TWO FETAL SURGERY SITES IN THE NATION.

RIDOH 2140

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- THE REPRODUCTIVE GENETICS SERVICE WITHIN THE DIVISION OF MATERNAL-FETAL MEDICINE OFFERS SEAMLESS GENETIC COUNSELING SERVICES FOR MEN AND WOMEN PLANNING TO HAVE A CHILD OR WOMEN WHO ARE ALREADY PREGNANT. THE SERVICE, ONE OF ONLY A FEW OF ITS KIND IN THE NATION TO HAVE TWO PHYSICIANS ON STAFF WITH TRAINING IN BOTH MATERNAL-FETAL MEDICINE AND CLINICAL GENETICS, WORKS IN CONCERT WITH THE HOSPITAL'S PRENATAL DIAGNOSIS CENTER.

- EDWARD CHIEN, MD, A RESEARCHER IN WOMEN & INFANTS' DIVISION OF MATERNAL-FETAL MEDICINE, EARNED A $3.7-MILLION NIH GRANT IN 2010 TO HELP ESTABLISH A TOOL THAT CAN DIFFERENTIATE BETWEEN A SMALL, HEALTHY FETUS AND A FETUS THAT IS SMALL DUE TO PATHOLOGIC CAUSES. IMPROVING THE TOOLS CURRENTLY AVAILABLE SHOULD SAVE THE HEALTH CARE SYSTEM RESOURCES SPENT MONITORING WOMEN WHO ARE CARRYING SMALL BUT OTHERWISE HEALTHY FETUSES.

DRAFT

- THE PRENATAL DIAGNOSIS CENTER, OPERATED THROUGH THE DIVISION OF MATERNAL-FETAL MEDICINE, CARES FOR MORE WOMEN WITH HIGH-RISK PREGNANCIES THAN ANY OTHER FACILITY IN THE NORTHEAST. THE FACILITY OFFERS CERTIFIED GENETIC COUNSELORS, FETAL ULTRASONOGRAPHY AND MATERNAL-FETAL MEDICINE SPECIALISTS ALL IN ONE LOCATION.

- THE HOSPITAL'S ANTENATAL CARE UNIT, THE ONLY ONE IN THE REGION, PROVIDES SPECIALIZED TREATMENT FOR WOMEN WHOSE PREGNANCY-RELATED COMPLICATIONS NEED CLOSE MONITORING OR INPATIENT HOSPITAL CARE. THE 30-BED UNIT IS LOCATED IN THE SOUTH PAVILION AND FEATURES LARGER ROOMS,

RIDOH 2141

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

PRIVATE BATHROOMS AND AN AMENITIES SUITE WITH A WASHER AND DRYER, A PROFESSIONAL HAIRDRESSING SINK, MASSAGE TABLES AND EXERCISE EQUIPMENT.

- PROJECT LINK IS DEDICATED TO THE ASSESSMENT, TREATMENT AND COUNSELING OF PREGNANT WOMEN AND NEWBORNS AFFECTED BY SUBSTANCE ABUSE.

WOMEN & INFANTS OFFERS THE BEST RESOURCE FOR COUPLES CHALLENGED BY INFERTILITY

==========

- THE HOSPITAL'S CENTER FOR REPRODUCTION AND INFERTILITY OFFERS A SUCCESSFUL REPRODUCTIVE TECHNOLOGY PROGRAM. HUNDREDS OF INFERTILE COUPLES EACH YEAR BENEFIT FROM THE DIAGNOSIS AND TREATMENT OF INFERTILITY THROUGH IVF (IN VITRO FERTILIZATION), IVM (IN VITRO MATURATION), OVULATION INDUCTION, REPRODUCTIVE SURGERY, DONOR SPERM PROGRAM, FROZEN EMBRYO TRANSFER, ICSI (INTRACYTOPLASMIC SPERM INJECTION), AND PGD (PREIMPLANTATION GENETIC DIAGNOSIS).

DRAFT

- WOMEN & INFANTS RESEARCHERS IN 2010 WERE PART OF A DISCOVERY THAT COULD LEAD TO NEW INSIGHTS ABOUT HOW EGGS DEVELOP AND ULTIMATELY INFORM JUDGMENTS ABOUT HOW THE EMBRYOS THEY PRODUCE WILL FARE. THE IDEA IS TO EXAMINE THE GENETIC MATERIAL THE EGG CELLS DISCARDED WHEN THEY WERE FIRST FORMING TO SEE WHICH GENES THEY WERE EXPRESSING.

- RESEARCHERS FROM WOMEN & INFANTS WERE ALSO INVOLVED IN THE 2010

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

UNVEILING OF AN ARTIFICIAL HUMAN OVARY, WHICH CAN BE USED AS A SIMULATOR IN FUTURE FERTILITY RESEARCH.

- WOMEN & INFANTS WAS DESIGNATED A CENTER FOR IVM EXCELLENCE BY ITS PARTNER, SAGE IN VITRO FERTILIZATION, A COOPERSURGICAL COMPANY. THIS RECOGNIZES THE HIGH LEVEL OF TRAINING WOMEN & INFANTS DOCTORS AND EMBRYOLOGISTS RECEIVE IN THIS SPECIALIZED TECHNIQUE. THIS CENTER TRAINS DOCTORS FROM AROUND THE WORLD IN THIS TECHNIQUE.

- WOMEN & INFANTS' EGG DONATION PROGRAM PROVIDES AN ADDITIONAL FERTILITY OPTION FOR WOMEN WHO LACK OVARIES, HAVE DIMINISHED OVARIAN FUNCTION, OR HAVE A GENETIC DISEASE OR A FAMILY HISTORY OF GENETIC DISEASE.

- REPRODUCTIVE ENDOCRINOLOGISTS SEE PATIENTS ON WOMEN & INFANTS' MAIN PROVIDENCE CAMPUS, AT TUFTS MEDICAL CENTER IN BOSTON, AND AT A NUMBER OF OFFICE SITES THROUGHOUT NEW ENGLAND.

- THE CENTER FOR REPRODUCTION AND INFERTILITY HAS ACHIEVED SOME OF THE BEST NATIONAL OUTCOMES FOR REDUCING THE INCIDENCE OF HIGH ORDER MULTIPLES THAT OCCUR AS A RESULT OF INFERTILITY TREATMENT.

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

WOMEN & INFANTS FEATURES PREMIER RESOURCES FOR WOMEN WITH CANCER

==========

DRAFT

RIDOH 2143

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- WOMEN & INFANTS' PROGRAM IN WOMEN'S ONCOLOGY IS THE REGION'S LARGEST CANCER PROGRAM DEDICATED TO WOMEN. THE PROGRAM INCLUDES A PROSPECTIVE, MULTIDISCIPLINARY TUMOR BOARD PROCESS AND IS THE HUB OF AN INTERNATIONAL TELEMEDICINE PROGRAM THAT ENABLES THE HOSPITAL TO SHARE ITS EXPERTISE WITH COLLEAGUES THROUGHOUT THE WORLD.

- THE HOSPITAL'S CANCER PROGRAM IS APPROVED, WITH COMMENDATION, BY THE AMERICAN COLLEGE OF SURGEONS COMMISSION ON CANCER. THE PROGRAM IS ALSO A TEACHING HOSPITAL CANCER PROGRAM AS APPROVED BY THE SAME ORGANIZATION.

- THE PROGRAM IN WOMEN'S ONCOLOGY OFFERS A COMPREHENSIVE CANCER RISK ASSESSMENT AND PREVENTION PROGRAM THAT ADDRESSES CONCERNS INDIVIDUALS OR FAMILIES MAY HAVE REGARDING THEIR GENETIC RISK OF DEVELOPING CANCER. THE PROGRAM IS ACCREDITED BY THE AMERICAN COLLEGE OF SURGEONS.

DRAFT

- WOMEN & INFANTS' PROGRAM IN WOMEN'S ONCOLOGY IS A FULL MEMBER OF THE NATIONAL CANCER INSTITUTE'S GYNECOLOGIC ONCOLOGY GROUP (GOG).

- WOMEN & INFANTS OFFERS CUTTING-EDGE TREATMENT FOR WOMEN WITH CANCER - INCLUDING INTRAPERITONEAL (IP) THERAPY, A MORE INTENSE CHEMOTHERAPY TREATMENT FOR WOMEN WITH ADVANCED OVARIAN CANCER - AND ROBOTIC SURGERY, A LESS INVASIVE, LESS PAINFUL TECHNIQUE FOR WOMEN WITH GYNECOLOGIC CANCER.

- THE BREAST HEALTH CENTER IS A SPECIALIZED SERVICE OFFERING EDUCATION,

RIDOH 2144

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

SUPPORT, DIAGNOSIS AND CONTEMPORARY TREATMENT FOR ALL BREAST HEALTH PROBLEMS.

- IN 2010, THE BREAST HEALTH CENTER HELPED BRING SPECIALIZED CARE CLOSER TO HOME FOR SOME RHODE ISLAND WOMEN WHEN THE HOSPITAL JOINED WITH KENT HOSPITAL IN WARWICK TO OPEN THE BREAST HEALTH CENTER AT KENT.

- THE CENTER FOR BIOMARKERS AND EMERGING TECHNOLOGIES (CBET) IS DEVELOPING NEW METHODS FOR SCREENING FOR WOMEN'S CANCERS AND CREATING NEW POSSIBILITIES FOR THE FUTURE. IN 2010, ONE OF CBET'S INITIAL DISCOVERIES

- A NOVEL BLOOD TEST FOR THE BIOMARKERS HE4 AND CA125 - WAS INTRODUCED. WOMEN & INFANTS' DIVISION OF MEDICAL SCREENING AND SPECIAL TESTING IS ONE OF ONLY A FEW LABORATORIES IN THE COUNTRY CURRENTLY OFFERING THIS TEST.

WOMEN & INFANTS IS THE ANSWER FOR WOMEN AT EVERY STAGE OF LIFE

==========

- COMPREHENSIVE PRIMARY AND SPECIALIZED CARE SERVICES FOR WOMEN ARE PROVIDED THROUGH THE WOMEN'S PRIMARY CARE CENTER. IN COMBINATION WITH THE DIVISION OF AMBULATORY CARE'S URGENT CARE SERVICES, THE CENTER SEES APPROXIMATELY 39,000 PATIENTS ANNUALLY.

- THE RHODE ISLAND NETWORK FOR PELVIC FLOOR DISORDERS AT WOMEN & INFANTS BRINGS TOGETHER LEADING RESEARCHERS AND CLINICIANS IN UROGYNECOLOGY AS

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

WELL AS COLORECTAL AND UROLOGIC SURGERY TO OFFER A NATIONAL MODEL FOR COLLABORATIVE CARE FOR WOMEN WITH PELVIC FLOOR DISORDERS. THE USE OF ROBOTICALLY-ASSISTED LAPAROSCOPIC SURGERY ALLOWS WOMEN & INFANTS TO OFFER UNIQUE SOLUTIONS FOR PELVIC FLOOR PROBLEMS AND INCONTINENCE.

- WOMEN & INFANTS' CENTER FOR SEXUALITY, INTIMACY AND FERTILITY, THE FIRST OF ITS KIND IN THE REGION, IS COLLABORATION BETWEEN THE WOMEN'S PRIMARY CARE CENTER, THE PROGRAM IN WOMEN'S ONCOLOGY AND THE CENTER FOR REPRODUCTION AND INFERTILITY. IT SERVES AS A RESOURCE FOR WOMEN WHO HAVE UNDERGONE TREATMENT FOR CANCER AND ARE EXPERIENCING ITS DETRIMENTAL EFFECT ON THEIR SEX LIVES OR WOMEN WHO MAY WANT TO BEAR CHILDREN AFTER TREATMENT.

- THE HOSPITAL OPERATES THE CONTRACEPTIVE CONSULT CLINIC TO EVALUATE, ADVISE AND RECOMMEND CONTRACEPTIVE OPTIONS FOR WOMEN WITH COMPLEX MEDICAL CONDITIONS AND/OR A HISTORY OF CONTRACEPTIVE FAILURE.

- WOMEN & INFANTS IS THE FIRST HOSPITAL IN RHODE ISLAND TO OFFER IMAGING-DIRECTED CYTOLOGY, A BREAKTHROUGH PROCESS THAT ACHIEVES A HIGHER LEVEL OF CERTAINTY IN CERVICAL CANCER SCREENING.

- THE DIVISION OF UROGYNECOLOGY AND RECONSTRUCTIVE PELVIC SURGERY IS RECOGNIZED FOR ITS RESEARCH AND SUCCESS IN TREATING THE FULL RANGE OF WOMEN'S UROGYNECOLOGIC PROBLEMS, MOST NOTABLY URINARY INCONTINENCE, WITH SURGICAL, MEDICAL AND/OR PHARMACOLOGICAL INTERVENTIONS.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- WOMEN & INFANTS' DEPARTMENT OF MEDICINE PROVIDES A BROAD SPECTRUM OF WOMEN'S HEALTH SERVICES, INCLUDING ECHOCARDIOLOGY, PULMONARY FUNCTION TESTING AND AN ASTHMA CLINIC. THE DIVISION OF OBSTETRIC & CONSULTATIVE MEDICINE PROVIDES CONSULTATION FOR MEDICAL COMPLICATIONS OF PREGNANCY AND PREOPERATIVE CONSULTATION, AS WELL AS INTERNAL MEDICINE.

- THE CENTER FOR WOMEN'S GASTROINTESTINAL DISORDERS PROVIDES GASTROENTEROLOGY CONSULTATION TO WOMEN, INCLUDING MANAGEMENT OF HYPEREMESIS AND INFLAMMATORY BOWEL DISEASE IN PREGNANCY AND COLORECTAL CANCER SCREENING. ENDOSCOPY SERVICES FOR WOMEN ARE ALSO OFFERED, AND THE PROGRAM HELPS COORDINATE THE STATE-WIDE PERINATAL HEPATITIS PREVENTION PROGRAM, WHICH IDENTIFIES WOMEN WHO HAVE HEPATITIS B OR C AND PROVIDES CLINICAL CARE THROUGHOUT PREGNANCY TO PREVENT TRANSMISSION OF THE VIRUS TO THE BABY.

DRAFT

- THE CENTER FOR WOMEN'S BEHAVIORAL HEALTH OFFERS INPATIENT AND OUTPATIENT PSYCHIATRIC CARE IN SUCH AREAS AS STRESS MANAGEMENT, PMS, AND PANIC DISORDERS. TREATMENT FOR POSTPARTUM DEPRESSION AND ANXIETY IN PREGNANCY IS OFFERED THROUGH THE HOSPITAL'S DAY PROGRAM.

- A HOSPITAL-WIDE DOMESTIC VIOLENCE TASK FORCE EDUCATES PROVIDERS AND IDENTIFIES PATIENTS WHO MAY BE VICTIMS OF PARTNER ABUSE.

- THE CENTERS FOR HEALTH EDUCATION, THE FIRST COMPREHENSIVE RESOURCES OF

RIDOH 2147

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

THEIR KIND IN THE AREA, OFFER FREE LENDING LIBRARIES, COMPUTERIZED DATABASES AND A BROAD SPECTRUM OF EDUCATIONAL PROGRAMS AND SUPPORT GROUPS FOR WOMEN AND THEIR FAMILIES. THE CENTERS ARE PART OF THE HOSPITAL'S MEDICAL OFFICE BUILDINGS - LOCATED IN PROVIDENCE, EAST GREENWICH, WOONSOCKET, SOUTH KINGSTOWN, SWANSEA, AND NORTH ATTLEBORO - THAT ALSO OFFER APPOINTMENTS WITH WOMEN & INFANTS PHYSICIANS.

WOMEN & INFANTS SPONSORS GROUNDBREAKING RESEARCH

==========

DRAFT

- WOMEN & INFANTS ALSO HOSTS MULTIPLE CLINICAL RESEARCH ENTERPRISES AND IS A MAJOR SITE OF NATIONAL CANCER INSTITUTE'S GYNECOLOGIC ONCOLOGY GROUP, THE NEONATAL NETWORK AND MATERNAL FETAL NETWORK UNIT (NICHD), THE ONCOFERTILITY NETWORK (NICHD), THE CENTER FOR BIOMARKER AND EMERGING TECHNOLOGY AND NUMEROUS OTHER RESEARCH INITIATIVES THAT PLACE THE HOSPITAL IN THE TOP RESEARCH FUNDING IN OBSTETRICS AND GYNECOLOGY, NEONATOLOGY, WOMEN'S HEALTH, AND BIOMARKER DEVELOPMENT.

- WOMEN & INFANTS SERVES AS THE LEAD PARTNER WITH BROWN UNIVERSITY ON THE NATIONAL CHILDREN'S STUDY, A GROUNDBREAKING PROJECT AIMED AT IMPROVING CHILD HEALTH. A MAJOR NATIONAL COMMITMENT HAS BEEN MADE BY THE FEDERAL GOVERNMENT AND THE NATIONAL INSTITUTES OF HEALTH (NIH) TO STUDY 100,000 LIVES FROM PRECONCEPTION THROUGH BIRTH AND UNTIL THE CHILDREN REACH 21 YEARS OF AGE. ACROSS THE NATION, 100 COUNTIES WERE IDENTIFIED TO PARTICIPATE IN THE STUDY BY ENROLLING 1,000 PATIENTS. WOMEN & INFANTS AND

RIDOH 2148

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

BROWN UNIVERSITY WON SUPPORT TOTALING ALMOST $24 MILLION TO BEGIN RECRUITING FAMILIES FROM PROVIDENCE COUNTY, RI, AND BRISTOL COUNTY, MA.

- VINITA GOYAL, MD, MPH, A MEMBER OF THE MEDICAL TEAM IN WOMEN & INFANTS' DIVISION OF AMBULATORY CARE AND WOMEN'S PRIMARY CARE CENTER, WAS NAMED THE HOSPITAL'S NEWEST WOMEN'S REPRODUCTIVE HEALTH RESEARCH (WRHR) SCHOLAR, THROUGH A CAREER DEVELOPMENT PROGRAM INITIATED BY THE EUNICE KENNEDY SHRIVER NATIONAL INSTITUTE OF CHILD HEALTH & HUMAN DEVELOPMENT (NICHD), IN COLLABORATION WITH THE NATIONAL INSTITUTES OF HEALTH AND THE NATIONAL CANCER INSTITUTE. DR. GOYAL IS PURSUING RESEARCH INTO THE ACCESSIBILITY OF CONTRACEPTION FOR FEMALE VETERANS IN THE UNITED STATES.

- IN 2010, WOMEN & INFANTS RECEIVED A $2.1 MILLION GRANT FROM THE NIH TO CONTINUE WORK UNDER THE CENTER OF BIOMEDICAL RESEARCH EXCELLENCE (COBRE) FOR PERINATAL BIOLOGY. OF THE 108 COBRES ACROSS THE COUNTRY, WOMEN & INFANTS IS THE ONLY ONE SPECIFICALLY FOCUSED ON DEVELOPMENTAL RESEARCH. ITS RESEARCHERS ARE STUDYING EMBRYO, PLACENTA AND HEART DEVELOPMENT, THE SUSCEPTIBILITY TO INFECTION IN NEWBORNS, AND THE EFFECTS OF INTRAUTERINE DEVELOPMENT ON LATER OUTCOMES.

- THE KILGUSS RESEARCH INSTITUTE IS LOCATED IN THE HEART OF PROVIDENCE'S JEWELRY DISTRICT. IT IS HOME TO THE COBRE AND OTHER WOMEN & INFANTS' AND BROWN UNIVERSITY'S RESEARCHERS AND THEIR STAFF WHO PROBE ANSWERS IN DEVELOPMENTAL BIOLOGY, CANCER BIOLOGY, AND DEVELOPMENTAL IMMUNOLOGY.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- THREE NEW STRAINS OF TRANSGENIC MICE HAVE BEEN DEVELOPED AND ARE BEING USED TO BETTER UNDERSTAND THE ROLE OF STEM CELLS IN CARDIAC REPAIR AND REGENERATION. THESE UNIQUE NEW RESOURCES ARE ALSO BEING USED TO STUDY WAYS TO PROTECT AND PREVENT INJURY TO THE DEVELOPING LUNGS IN PREMATURE INFANTS, CHANGES IN DNA DURING "FETAL PROGRAMMING" IN RESPONSE TO ADVERSE INTRAUTERINE LIFE, THE MOLECULAR PATHOGENESIS OF YEAST INFECTIONS IN PRETERM INFANTS, AND THE ROLE OF OXYGEN-REGULATED GENES IN EARLY EMBRYOGENESIS AND IMPLANTATION.

COMMUNITY BENEFIT STATEMENT CONTINUED

CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS

DRAFT

- A RESEARCH TEAM FROM WOMEN & INFANTS RECEIVED THE 2010 COLLABORATIVE RESEARCH AWARD FROM THE RHODE ISLAND SCIENCE AND TECHNOLOGY ADVISORY COUNCIL (STAC) FOR THE PROJECT ENTITLED "NEW STRATEGIES FOR PREVENTING BRAIN DAMAGE IN PREMATURE INFANTS."

- THE HOSPITAL'S GEORGE ANDERSON OUTCOMES MEASUREMENT UNIT AND THE DIVISION OF RESEARCH IN THE DEPARTMENT OF OBSTETRICS & GYNECOLOGY EMPHASIZE OUTCOMES-BASED RESEARCH. THIS PROVIDES NEEDED INFRASTRUCTURE AND ENHANCES OPPORTUNITIES FOR RESEARCH SUCCESS IN CLINICAL RESEARCH.

- WOMEN & INFANTS WAS NAMED ONE OF FIVE COORDINATING CENTERS IN THE COUNTRY TO OVERSEE A FIVE-YEAR EXTENSION OF THE NATIONAL CANCER INSTITUTE'S OVARIAN CANCER PREVENTION AND EARLY DETECTION STUDY, WHICH IS EXAMINING WAYS WOMEN AT HIGH RISK FOR DEVELOPING OVARIAN CANCER CAN LOWER

THEIR RISK AND DETECT THE CANCER EARLIER. THE BUSIEST CENTERS FROM THE SCREENING TRIAL WERE TAPPED TO CONTINUE THE RESEARCH, TESTIMONY TO THE QUALITY OF RESEARCH BEING DONE AT WOMEN & INFANTS.

- THE HOSPITAL PARTICIPATES IN A NUMBER OF INTERNATIONAL, NATIONAL AND LOCAL STUDIES, INCLUDING ONE THAT IDENTIFIED A NEW BLOOD TEST THAT COULD HELP DOCTORS FIND CANCER CELLS EARLY AND PLAN BETTER TREATMENT FOR OVARIAN CANCER, AND OTHERS INTO A NEW MEDICATION FOR URGE INCONTINENCE, THE PRESENCE OF IMAGES OF CANCER IN DREAMS, AND THE PREVALENCE OF HPV AMONG LOCAL SOUTHEAST ASIAN WOMEN.

WOMEN & INFANTS BELIEVES IN THE COMMUNITY

==========

- THE HOSPITAL ORGANIZES AN ENTIRE CALENDAR OF COMMUNITY PROGRAMS THAT INCLUDES CLASSES IN CHILDBIRTH, PARENTING, REPRODUCTIVE HEALTH, HUMAN SEXUALITY, BREAST HEALTH AND WOMEN'S HEALTH ACROSS ALL AGES. IN ADDITION, THE HOSPITAL IS ENGAGED WITH THE FOLLOWING ORGANIZATIONS IN A VARIETY OF WAYS INCLUDING SUPPORTING COMMUNITY EDUCATION AND AWARENESS PROGRAMS, PROVIDING SPACE FOR MEETINGS OR CONFERENCES, AND PARTICIPATING ON VARIOUS BOARDS AND COMMITTEES WORKING TO IMPROVE THE HEALTH OF THE COMMUNITY:

ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY

AMERICAN CANCER SOCIETY

AMERICAN HEART ASSOCIATION

DRAFT

RIDOH 2151

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

CHILDREN'S FRIEND AND SERVICE

CHIPSA

DAY ONE

E.W. FLYNN MODEL ELEMENTARY SCHOOL

HEALTHY MOTHERS, HEALTHY BABIES

KIDSCOUNT

MARCH OF DIMES

MEETING STREET SCHOOL

NATIONAL ASSOCIATION OF SOCIAL WORKERS

PARTNERSHIP TO REDUCE CANCER

PROGRESSO LATINO

PROVIDENCE RONALD MCDONALD HOUSE

RHODE ISLAND ASSOCIATION FOR CARDIAC CHILDREN

RHODE ISLAND DEPARTMENT OF HEALTH

RHODE ISLAND DEPARTMENT OF HEALTH OFFICE OF MINORITY HEALTH

RHODE ISLAND DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (DCYF)

RHODE ISLAND BLOOD CENTER

RHODE ISLAND OSTEOPOROSIS COALITION

RHODE ISLAND PARENTING INFORMATION NETWORK

RHODE ISLAND NETWORK OF CARE FOR BEHAVIORAL HEALTH

RHODE ISLAND COUNCIL ON ALCOHOLISM AND OTHER DRUG ADDICTION

RHODE ISLAND STATE NURSES ASSOCIATION

WOMEN'S HEALTH COUNCIL

UNITED WAY

URBAN LEAGUE

DRAFT

RIDOH 2152

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- OUTREACH EDUCATION BENEFITED THE COMMUNITY LAST YEAR THROUGH 24,120 PROGRAMS IN LOCAL SCHOOLS, COMMUNITY CENTERS AND SIMILAR SITES.

- THE HOSPITAL PROVIDED ALMOST $27 MILLION LAST YEAR IN UNCOMPENSATED CARE TO WOMEN AND FAMILIES IN NEED.

- STAFF FROM WOMEN & INFANTS' FAMILY VAN, A MOBILE HEALTH CLINIC, PROVIDES MUCH-NEEDED SERVICES FOR THE UNDERSERVED AND UNDERINSURED ACROSS THE STATE. THE PROGRAM OFFERS A TRANSLATION COMMUNICATOR THAT ENABLES STAFF TO COMMUNICATE AND CONVERSE IN 22 LANGUAGES.

- WOMEN & INFANTS RESEARCHERS AND LATINO PUBLIC RADIO JOINED WITH STATE AND NATIONAL LEADERS TO ADDRESS NOVEL APPROACHES TO IMPROVING HEALTH LITERACY IN 2010. RESULTS OF THE HOSPITAL'S ESCUCHE (EVALUATING THE SPANISH RADIO COMMUNITY'S UNDERSTANDING OF CLINICAL RESEARCH AND HEALTH TOPICS) STUDY, FUNDED BY A NATIONAL INSTITUTES OF HEALTH PARTNERS IN RESEARCH PROGRAM GRANT, REVEALED THAT A HEALTH AND SCIENCE CURRICULUM HELPED IMPROVE LITERACY FOR PARTICIPANTS.

DRAFT

THE COMMUNITY BELIEVES IN WOMEN & INFANTS

==========

- APPROXIMATELY 450 IN-HOSPITAL VOLUNTEERS PROVIDED MORE THAN 31,500 HOURS OF SERVICE IN FISCAL YEAR 2010.

RIDOH 2153

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

- A GROUP OF 107 COMMUNITY-BASED VOLUNTEERS FROM OPERATION WARM HEAD START, A COMMITTED GROUP OF KNITTERS WORKING IN THEIR HOMES, SUPPLY BABY HATS[1] FOR EVERY BABY BORN AT WOMEN & INFANTS.

- WOMEN & INFANTS' AUXILIARY COMMITTEE WORKS WITH THE DEVELOPMENT FOUNDATION BOARD OF DIRECTORS TO SUPPORT THE HOSPITAL'S MISSION BY RAISING FUNDS FOR PATIENT PROGRAMS AND SERVICES THROUGH TARGETED INITIATIVES AND ENTERPRISES SUCH AS THE GIFT SHOP, BABY PHOTO PROGRAM, THE AU BON PAIN® BAKERY CAFÉ AS WELL AS THE NURSING MOMS, ETC., STORE WHICH SERVES THE NEEDS OF BREASTFEEDING MOTHERS AND NEWBORNS.

- THOUSANDS OF DONORS ENTHUSIASTICALLY SUPPORT WOMEN & INFANTS EACH YEAR THROUGH GIFTS TO THE HOSPITAL'S ANNUAL FUND AND ENDOWMENT, AS WELL AS THROUGH PHONE-A-THONS, CELEBRITY LUNCHEONS AND OTHER VARIOUS EVENTS. GIFTS ARE USED TO ENHANCE PATIENT CARE, SUPPORT EDUCATION AND TRAINING, FUND CAPITAL AND EQUIPMENT NEEDS, AND ENSURE WOMEN & INFANTS' FINANCIAL SECURITY THROUGH THE GENERAL ENDOWMENT FUND.

- VARIOUS COMMUNITY ORGANIZATIONS AND CORPORATIONS CHOOSE TO SUPPORT WOMEN & INFANTS' PROGRAMS. IN 2010, SUPPORT CAME FROM SUCH SOURCES AS: COVIDIEN, WITH FUNDING FOR THE HOSPITAL'S LA VAN PROGRAM TO TRANSPORT LOW-INCOME PATIENTS TO THE WOMEN'S PRIMARY CARE CENTER FOR ROUTINE PRENATAL VISITS; WHOLE FOODS THREE RHODE ISLAND MARKETS AND FAT BASTARD WINES, GENERATING FUNDS FOR THE INTEGRATIVE CARE PROGRAM IN THE PROGRAM

DRAFT

RIDOH 2154

IN WOMEN'S ONCOLOGY; AND RI PINK HEALS, RAISING MONIES FOR THE BREAST HEALTH CENTER.

- THE INAUGURAL RHODE ISLAND SWIM ACROSS AMERICA FUNDRAISER GENERATED MORE THAN $250,000 FOR CANCER RESEARCH BEING CONDUCTED BY THE WOMEN & INFANTS PROGRAM IN WOMEN'S ONCOLOGY. ALMOST 200 SWIMMERS PARTICIPATED IN THE SEPTEMBER SWIM. THIS WAS ONE OF THE LARGEST, MOST SUCCESSFUL TURN-OUTS FOR AN INAUGURAL EVENT.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 2

ROBERT G. FLANDERS, JR., ESQ. AND MARGARET D. FARRELL, ESQ. - BUSINESS RELATIONSHIP

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTION 3

THE ORGANIZATION ENGAGES SODEXO HEALTH CARE ("SODEXO") TO BE AN AGENT OF THE ORGANIZATION AND DELEGATES CONTROL TO SODEXO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE ORGANIZATION'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE ORGANIZATION.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION A; QUESTIONS 6 & 7

WOMEN & INFANTS CORPORATION ("WIC") IS THE SOLE MEMBER OF THIS ORGANIZATION. CARE NEW ENGLAND HEALTH SYSTEM ("CNE") IS THE SOLE MEMBER OF WIC. CNE HAS THE ULTIMATE AUTHORITY TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BYLAWS.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 11B

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"); A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. CARE NEW ENGLAND HEALTH SYSTEM IS THE PARENT ENTITY OF THE SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE IRS. IN ADDITION THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE ALSO PERFORMED A REVIEW OF THE FEDERAL FORM 990 PRIOR TO MAKING IT AVAILABLE TO EACH VOTING MEMBER OF ITS BOARD OF DIRECTORS. THE CARE NEW ENGLAND HEALTH SYSTEM BOARD OF DIRECTORS HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE SYSTEM.

AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

PROCESS THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S ASSOCIATE VICE PRESIDENT OF ACCOUNTING AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN.

THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING, BUT NOT LIMITED TO, THE INDIVIDUAL OUTLINED ABOVE, FOR HIS REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE. FOLLOWING THE FINANCE COMMITTEE'S REVIEW THE FINAL FEDERAL FORM 990 WAS MADE AVAILABLE TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING WITH THE IRS.

DRAFT

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 12

THE ORGANIZATION HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES ANNUALLY. IF A DIRECTOR DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE DIRECTOR'S POTENTIAL CONFLICT IS REFERRED TO THE BOARD OR THE COMMITTEE, WHICH EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE DIRECTOR'S PARTICIPATION ON THE BOARD OR ON CERTAIN ISSUES THAT MAY COME BEFORE THE BOARD. AFTER CONSULTATION WITH COUNSEL, THE COMMITTEE WILL TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION B; QUESTION 15

THE BOARD OF DIRECTORS OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND ("WIH") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE WIH COMPENSATION COMMITTEE ("THE COMMITTEE"). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR WIH EXECUTIVES AND KEY PHYSICIANS IN CONJUNCTION WITH THE WIH PRESIDENT AND CHIEF EXECUTIVE OFFICER. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS EXCEPT WITH RESPECT TO DECISIONS RELATING TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER WHICH ARE MADE IN CONJUNCTION WITH THE CARE NEW ENGLAND CHIEF EXECUTIVE OFFICER.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER. THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING:

1. THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT;

2. THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION; AND

3. THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION.

DRAFT

THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS; EACH OF WHOM ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST.

THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA; SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES. THIS

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILARLY SIZED HEALTHCARE SYSTEMS AND HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE.

THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED.

THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE PRESIDENT/CHIEF EXECUTIVE OFFICER. THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE ALSO REVIEWED BY THE CARE NEW ENGLAND HEALTH SYSTEM COMPENSATION COMMITTEE. IN ADDITION, THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY THE WOMEN & INFANTS HOSPITAL OF RHODE ISLAND PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION. OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS.

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

DISCLOSURE INFORMATION

CORE FORM, PART VI, SECTION C; QUESTION 19

THE ORGANIZATION HAS BEEN ALLOCATED A PORTION OF TAX-EXEMPT BONDS (THROUGH ITS TAX-EXEMPT PARENT CARE NEW ENGLAND HEALTH SYSTEM) TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT. THE ORGANIZATION HAS REFLECTED THIS AMOUNT AS A DUE TO AFFILIATE LIABILITY ON ITS BALANCE SHEET. IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE SYSTEM'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW. IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF RHODE ISLAND SECRETARY OF STATE.

DRAFT

COMPENSATION INFORMATION DISCLOSURE

CORE FORM, PART VII AND SCHEDULE J

PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION. PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME AND PART-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS.

IN ADDITION, CERTAIN INDIVIDUALS NOT INCLUDED IN THIS FORM 990 RECEIVED A FORM W-2 FROM THIS ORGANIZATION AND ARE REPORTED ON THE FORM 990 OF CARE

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

NEW ENGLAND HEALTH SYSTEM; THE INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT PARENT OF THE SYSTEM BECAUSE THEY SERVE ON A FULL-TIME BASIS WORKING ON CARE NEW ENGLAND HEALTH SYSTEM MATTERS AND ARE NOT OFFICERS, DIRECTORS, KEY EMPLOYEES OR THE NEXT FIVE HIGHEST PAID EMPLOYEES OF THIS ORGANIZATION.

IN ADDITION, CERTAIN INDIVIDUALS ARE REPORTED ON THIS FORM 990 AND RECEIVE A FORM W-2 FROM THIS ORGANIZATION. HOWEVER, THEY ALSO WORK ON A FULL TIME BASIS FOR CARE NEW ENGLAND HEALTH SYSTEM AND ARE ALSO INCLUDED ON THAT RESPECTIVE FORM 990 ANNUALLY. ACCORDINGLY, JOHN M. SUTHERLAND, III; GAIL COSTA; THOMAS R. COURAGE, ESQ. AND MAYBELLE KERNAN ARE EACH SHOWN WORKING ONE AND 55 HOURS PER WEEK ON THIS FORM 990 AND THE CARE NEW ENGLAND HEALTH SYSTEM FORM 990; RESPECTIVELY.

DRAFT

OTHER CHANGES IN FUND BALANCE

CORE FORM, PART XI; LINE 5

OTHER CHANGES IN FUND BALANCE INCLUDE:

NONOPERATING EXPENDITURES; ($696,783);

NET PAYMENTS ON INTEREST RATE SWAPS; ($1,702,116);

CHANGE IN NET UNREALIZED LOSSES ON INVESTMENTS; ($1,152,645);

PENSION AND POST RETIREMENT ADJUSTMENT; ($4,367,310);

NET ASSETS RELEASED FROM RESTRICTIONS AND USED FOR PROPERTY AND EQUIPMENT PURCHASES; $2,277,464;

TRANSFERS TO RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ORGANIZATIONS; (85,638);

TRANSFER TO DEFERRED REVENUE; ($1,834,250); AND

NET ASSETS RELEASED FROM RESTRICTION; ($3,942,547).

AUDITED FINANCIAL STATEMENTS

CORE FORM, PART XII; QUESTION 2

THIS ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES; A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2011 AND SEPTEMBER 30, 2010; RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY ENTITY. AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM. CARE NEW ENGLAND HEALTH SYSTEM'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR.

DRAFT

FINANCIAL STATEMENTS AND REPORTING

CORE FORM, PART XII; QUESTION 3

THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"). THE SYSTEM ENGAGES AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A SYSTEM WIDE CONSOLIDATED A-133 AUDIT. THIS

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ORGANIZATION WAS INCLUDED IN THE SYSTEM WIDE A-133 AUDIT.

ATTACHMENT 1

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, A TEACHING HOSPITAL OF THE WARREN ALPERT SCHOOL OF MEDICINE AT BROWN UNIVERSITY, IS COMMITTED TO IMPROVING THE HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

DRAFT

ATTACHMENT 2

PART VII - CONTINUATION OF OFFICERS, DIRECTORS, TRUSTEES, KEY EMPLOYEES AND HIGHEST COMPENSATED EMPLOYEES

(1)=IND.TRUSTEE/DIR. (2)=INS.TRUSTEE (3)=OFFICER (4)=KEY EMP. (5)=HIGHEST COMP. (6)=FORMER

	(A) NAME AND TITLE	(B) HOURS	(C) POSITION (1)(2)(3)(4)(5)(6)	(D) COMPENSATION FROM ORG.	(E) REL. ORG.	(F) OTHER
29	JAMES GILMORE (EFF. 6/14/11) SR. VP - PATIENT SUPPORT SVCS	55.00	X	0.	0.	0.
30	CORNELIUS GRANNAI MD VICE PRESIDENT	55.00	X	592,387.	0.	14,773.
31	THOMAS R COURAGE ESQ VICE PRESIDENT/ASST. SECRETARY	1.00	X	504,627.	0.	110,253.
32	MAYBELLE KERNAN VP MKTG & PUBLIC RELATIONS	1.00	X	351,007.	0.	52,885.
33	ELIAS NEUJAHR VP-PHYS SERVICES (10/1-5/13)	55.00	X	207,986.	0.	9,847.
34	THOMAS HUGHES VP - PATIENT SUPPORT SERVICES	55.00	X	188,802.	0.	3,619.
35	PAUL HEFFERNAN VICE PRESIDENT-HR (2/14-9/30)	55.00	X	0.	0.	0.
36	JOSEPH RODA INTERIM VP - HR (10/1-2/13)	55.00	X	170,519.	0.	619.
37	WILLIAM LAWRENCE MD CHIEF OF PATHOLOGY	55.00	X	520,949.	0.	11,555.
38	KAREN ROSENE MONTELLA MD PHYSICIAN	55.00	X	493,173.	0.	1,188.
39	PAUL DISILVESTRO MD PHYSICIAN	55.00	X	470,039.	0.	9,501.

RIDOH 2164

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

40	RICHARD MOORE MD PHYSICIAN	55.00	X	469,653.	0.	9,457.
41	KATHERINE WENSTROM MD DIRECTOR - MATERNAL FETAL MED	55.00	X	452,908.	0.	919.
42	PATRICE DIMARIO FORMER SR. VP PATIENT SUPPORT	0.00	X	370,742.	0.	57,660.
43	JANET SCHIPPER FORMER OFFICER	0.00	X	220,458.	0.	8,990.
44	DANIEL MICHAUD FORMER VP - HR	0.00	X	162,942.	0.	6,602.

ATTACHMENT 3

FORM 990, PART VII, COLUMN B - ESTIMATED AVERAGE PER WEEK

NAME AND TITLE	HOURS DEVOTED FOR RELATED ORGANIZATION
DOUGLAS L JACOBS CHAIRMAN - DIRECTOR	2.00
ROBERT G FLANDERS JR ESQ VICE CHAIRMAN - DIRECTOR	2.00
KATHERINE F MCKENZIE VICE CHAIR - DIRECTOR	2.00
CYNTHIA S REED VICE CHAIR - DIRECTOR	1.00
ROGER N BEGIN SECRETARY - DIRECTOR	2.00
JOHN R GALVIN TREASURER - DIRECTOR	1.00
KATHLEEN COTE BOWLING MD DIRECTOR	0.00
JOANNA CAIN MD DIRECTOR (TERM 12/27/10)	0.00
DAVID CARCIERI MD DIRECTOR	0.00
LISA G CHURCHVILLE DIRECTOR	0.00
SHARON CONARD WELLS DIRECTOR	0.00
MARGARET D FARRELL ESQ DIRECTOR	3.00
WILLIAM F HATFIELD DIRECTOR	0.00
CONSTANCE A HOWES JD FACHE DIRECTOR - PRES/CEO/WIH	4.00
LINDA R MCGOLDRICK DIRECTOR	1.00
JAMES F PADBURY MD DIRECTOR	1.00

DRAFT

RIDOH 2165

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 3 (CONT'D)

MAUREEN PHIPPS MD MPH	
DIRECTOR	4.00
GINA RAIMONDO	
DIRECTOR	0.00
SATINA L SIENA MD	
DIRECTOR - PRESIDENT MED STAFF	1.00
ANNE SZOSTAK	
DIRECTOR	1.00
MARK MARCANTANO	
EXECUTIVE VICE PRESIDENT/COO	0.00
JOHN M SUTHERLAND III	
PRESIDENT - W&I INDEMNITY LTD.	55.00
DEBRA M PAUL CPA MBA	
SR. VP & CFO/ASST. TREASURER	3.00
RAYMOND POWRIE MD	
SENIOR VICE PRESIDENT-QUALITY	0.00
GAIL COSTA	
SR VP - PLANNING CNE	55.00
KAREN DAVIE	
SR. VP - PHILANTHROPY & GOV.	1.00
PAULA GILLETTE (TERM 10/10-01/11)	
SR. VP - PATIENT CARE SERVICES	0.00
SUSAN E MAXWELL (TERM 03/11-08/11)	
SR. VP - PATIENT CARE SERVICES	0.00
JAMES GILMORE (EFF. 6/14/11)	
SR. VP - PATIENT SUPPORT SVCS	0.00
CORNELIUS GRANNAI MD	
VICE PRESIDENT	1.00
THOMAS R COURAGE ESQ	
VICE PRESIDENT/ASST. SECRETARY	57.00
MAYBELLE KERNAN	
VP MKTG & PUBLIC RELATIONS	55.00
ELIAS NEUJAHR	
VP-PHYS SERVICES (10/1-5/13)	0.00
THOMAS HUGHES	
VP - PATIENT SUPPORT SERVICES	0.00
PAUL HEFFERNAN	
VICE PRESIDENT-HR (2/14-9/30)	0.00
JOSEPH RODA	
INTERIM VP - HR (10/1-2/13)	0.00
WILLIAM LAWRENCE MD	
CHIEF OF PATHOLOGY	0.00
KAREN ROSENE MONTELLA MD	
PHYSICIAN	0.00
PAUL DISILVESTRO MD	
PHYSICIAN	0.00
RICHARD MOORE MD	
PHYSICIAN	0.00
KATHERINE WENSTROM MD	
DIRECTOR - MATERNAL FETAL MED	1.00
PATRICE DIMARIO	
FORMER SR. VP PATIENT SUPPORT	0.00

DRAFT

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 3 (CONT'D)

JANET SCHIPPER FORMER OFFICER	0.00
DANIEL MICHAUD FORMER VP - HR	0.00

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LAUNDRY	1,028,426.
MAYO COLLABORATIVE SERVICES P.O. BOX 4100 ROCHESTER, MN 55903	LABORATORY	725,790.
UNIVERSITY SURGICAL ASSOCIATES 200 METRO CENTER WARWICK, RI 02886	PROFESSIONAL	706,446.
NOW DELIVERY P.O. BOX 6945 PROVIDENCE, RI 02940	LAB COURIER	703,096.
ROBERTS CARROLL FELDSTEIN & PEIRCE 10 WEYBOSSET STREET PROVIDENCE, RI 02903	LEGAL	640,105.
	TOTAL COMPENSATION	3,803,863.

DRAFT

ATTACHMENT 5

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INVESTMENT INCOME	1,795,993.			1,795,993.
INV. INC. ON ASSETS LIMITED TO USE	272,096.			272,096.
TEMP. RESTRICTED INVESTMENT INCOME	261,745.			261,745.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 5 (CONT'D)

FORM 990, PART VIII - INVESTMENT INCOME

DESCRIPTION	(A) TOTAL REVENUE	(B) RELATED OR EXEMPT REVENUE	(C) UNRELATED BUSINESS REV.	(D) EXCLUDED REVENUE
INV. INC. REMAINING IN ENDOWMENT	504.			504.
TOTALS	2,330,338.			2,330,338.

ATTACHMENT 6

FORM 990, PART VIII - EXCLUDED CONTRIBUTIONS

DESCRIPTION	AMOUNT
SIGNATURE EVENT	248,874.
TICKLED PINK	21,922.
CHRISTMAS RUN	17,201.
TOTAL	287,997.

DRAFT

ATTACHMENT 7

FORM 990, PART VIII - FUNDRAISING EVENTS

DESCRIPTION	GROSS INCOME	DIRECT EXPENSES
SIGNATURE EVENT	94,474.	94,474.
TICKLED PINK	34,174.	34,174.
CHRISTMAS RUN	3,764.	3,764.
TOTALS	132,412.	132,412.

ATTACHMENT 8

FORM 990, PART X - NOTES AND LOANS RECEIVABLE

BORROWER: THIRD PARTY LOAN

BEGINNING BALANCE DUE ..... 138,110.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 8 (CONT'D)

ENDING BALANCE DUE ..... 100,996.

BORROWER: DUE FROM AFFILIATES

BEGINNING BALANCE DUE ..... 9,669,088.
ENDING BALANCE DUE ..... 12,794,227.

TOTAL BEGINNING NOTES AND LOANS RECEIVABLE 9,807,198.

TOTAL ENDING NOTES AND LOANS RECEIVABLES 12,895,223.

ATTACHMENT 9

FORM 990, PART X - SECURED MORTGAGES AND NOTES PAYABLE

LENDER: BANK OF AMERICA
ORIGINAL AMOUNT: 3,750,000.
INTEREST RATE: 5.640000
DATE OF NOTE: 07/01/2005
MATURITY DATE: 06/30/2015
REPAYMENT TERMS: REPAID MONTHLY
PURPOSE OF LOAN: LOAN FOR PURCHASE OF A BUILDING

BEGINNING BALANCE DUE ..... 2,781,250.
ENDING BALANCE DUE ..... 2,593,750.

DRAFT

LENDER: BANK OF RHODE ISLAND
ORIGINAL AMOUNT: 2,250,000.
INTEREST RATE: 6.030000
DATE OF NOTE: 06/29/2005
MATURITY DATE: 06/29/2015
REPAYMENT TERMS: REPAID MONTHLY
PURPOSE OF LOAN: LOAN FOR PURCHASE OF A BUILDING

BEGINNING BALANCE DUE ..... 2,006,937.
ENDING BALANCE DUE ..... 0.

RIDOH 2169

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 9 (CONT'D)

LENDER: CAPITAL LEASE

BEGINNING BALANCE DUE	911,842.
ENDING BALANCE DUE	325,230.
TOTAL BEGINNING MORTGAGES AND OTHER NOTES PAYABLE	5,700,029.
TOTAL ENDING MORTGAGES AND OTHER NOTES PAYABLE	2,918,980.

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) W & I ANCILLARY SERVICES, LLC 20-0222992 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	0.	0.	WIHRI
(2) W & I HEALTH CARE ALLIANCE, LLC 45-2676488 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	0.	0.	WIHRI
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) No
(1) CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HEALTHCARE	RI	501(C)(3)	509(A)(3)	N/A		X
(2) BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BLVD. PROVIDENCE, RI 02906	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE		X
(3) WOMEN AND INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	CNE		X
(4) WOMEN AND INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTHCARE	RI	501(C)(3)	509(A)(3)	WIC		X
(5) PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC.	RI	501(C)(3)	509(A)(2)	WIC		X
(6) WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTHCARE	MA	501(C)(3)	509(A)(2)	WIH	X	
(7) KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	HOSPITAL	CNE		X

DRAFT

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	509(A)(3)	KCMH		X
(2) KENT COUNTY VNA D/B/A VNA OF CNE 05-0242659 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	170B1AIII	CNE		X
(3) HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTHCARE	RI	501(C)(3)	509(A)(2)	KCVNA		X
(4)							
(5)							
(6)							
(7)							

DRAFT

RIDOH 2172

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)													
(2)													
(3)													
(4)													
(5)													
(6)													
(7)													

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

	(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1)	TOLL GATE INDEMNITY, LTD. 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	N/A	C CORP.			
(2)	W & I INDEMNITY, LTD. 98-0159342 23 LIME TREE AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CJ	FINANCIAL VEHICLE	CJ	WIH	C CORP.	17,909,965.	95,691,443.	100.0000
(3)								
(4)								
(5)								
(6)								
(7)								

DRAFT

RIDOH 2173

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a	X
b	Gift, grant, or capital contribution to other organization(s)	1b	X
c	Gift, grant, or capital contribution from other organization(s)	1c	X
d	Loans or loan guarantees to or for other organization(s)	1d	X
e	Loans or loan guarantees by other organization(s)	1e	X
f	Sale of assets to other organization(s)	1f	X
g	Purchase of assets from other organization(s)	1g	X
h	Exchange of assets	1h	X
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	X
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	X
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	X
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l	X
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	X
n	Sharing of paid employees	1n	X
o	Reimbursement paid to other organization for expenses	1o	X
p	Reimbursement paid by other organization for expenses	1p	X
q	Other transfer of cash or property to other organization(s)	1q	X
r	Other transfer of cash or property from other organization(s)	1r	X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)	WIH FACULTY PHYSICIANS, INC.	E, O	2,093,604.	COST
(2)				
(3)				
(4)				
(5)				
(6)				

DRAFT

RIDOH 2174

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

DRAFT

RIDOH 2175

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

DRAFT

SCHEDULE D (Form 1041)

Department of the Treasury
Internal Revenue Service

Capital Gains and Losses

▶ Attach to Form 1041, Form 5227, or Form 990-T. See the Instructions for Schedule D (Form 1041) (also for Form 5227 or Form 990-T, if applicable).

OMB No. 1545-0092

2010

Name of estate or trust

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Note: *Form 5227 filers need to complete* ***only*** *Parts I and II.*

Part I Short-Term Capital Gains and Losses - Assets Held One Year or Less

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
1a					

b	Enter the short-term gain or (loss), if any, from Schedule D-1, line 1b	1b	261,635.
2	Short-term capital gain or (loss) from Forms 4684, 6252, 6781, and 8824	2	
3	Net short-term gain or (loss) from partnerships, S corporations, and other estates or trusts	3	
4	Short-term capital loss carryover. Enter the amount, if any, from line 9 of the 2009 Capital Loss Carryover Worksheet	4	( )
5	**Net short-term gain or (loss).** Combine lines 1a through 4 in column (f). Enter here and on line 13, column (3) on the back ▶	5	261,635.

Part II Long-Term Capital Gains and Losses - Assets Held More Than One Year

(a) Description of property (Example: 100 shares 7% preferred of "Z" Co.)	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo., day, yr.)	(d) Sales price	(e) Cost or other basis (see instructions)	(f) Gain or (loss) for the entire year Subtract (e) from (d)
6a					

b	Enter the long-term gain or (loss), if any, from Schedule D-1, line 6b	6b	
7	Long-term capital gain or (loss) from Forms 2439, 4684, 6252, 6781, and 8824	7	
8	Net long-term gain or (loss) from partnerships, S corporations, and other estates or trusts	8	
9	Capital gain distributions	9	
10	Gain from Form 4797, Part I	10	
11	Long-term capital loss carryover. Enter the amount, if any, from line 14 of the 2009 Capital Loss Carryover Worksheet	11	( )
12	**Net long-term gain or (loss).** Combine lines 6a through 11 in column (f). Enter here and on line 14a, column (3) on the back ▶	12	

DRAFT

Part III Summary of Parts I and II
Caution: *Read the instructions* ***before*** *completing this part.*

		(1) Beneficiaries' (see instr.)	(2) Estate's or trust's	(3) Total
13 **Net short-term gain or (loss)**	13			261,635.
14 **Net long-term gain or (loss):**				
a Total for year	14a			
b Unrecaptured section 1250 gain (see line 18 of the wrksht.)	14b			
c 28% rate gain	14c			
15 **Total net gain or (loss).** Combine lines 13 and 14a ▶	15			261,635.

Note: *If line 15, column (3), is a net gain, enter the gain on Form 1041, line 4 (or Form 990-T, Part I, line 4a). If lines 14a and 15, column (2), are net gains, go to Part V, and* ***do not*** *complete Part IV If line 15, column (3), is a net loss, complete Part IV and the* ***Capital Loss Carryover Worksheet,*** *as necessary*

Part IV Capital Loss Limitation

16 Enter here and enter as a (loss) on Form 1041, line 4 (or Form 990-T, Part I, line 4c, if a trust) , the **smaller** of:
a The loss on line 15, column (3) **or** b $3,000 . . . . . 16 ( )

Note: *If the loss on line 15, column (3), is more than $3,000,* ***or*** *if Form 1041, page 1, line 22 (or Form 990-T, line 34), is a loss, complete the* ***Capital Loss Carryover Worksheet*** *on page 7 of the instructions to figure your capital loss carryover.*

Part V Tax Computation Using Maximum Capital Gains Rates

Form 1041 filers. Complete this part **only** if both lines 14a and 15 in column (2) are gains, or an amount is entered in Part I or Part II and there is an entry on Form 1041, line 2b(2), **and** Form 1041, line 22, is more than zero.

Caution: *Skip this part and complete the worksheet on page 8 of the instructions if:*

- *Either line 14b, col. (2) or line 14c, col. (2) is more than zero, or*
- *Both Form 1041, line 2b(1), and Form 4952, line 4g are more than zero.*

Form 990-T trusts. Complete this part **only** if both lines 14a and 15 are gains, or qualified dividends are included in income in Part I of Form 990-T, **and** Form 990-T, line 34, is more than zero. Skip this part and complete the worksheet on page 8 of the instructions if either line 14b, col. (2) or line 14c, col. (2) is more than zero.

DRAFT

17	Enter taxable income from Form 1041, line 22 (or Form 990-T, line 34)			17	
18	Enter the **smaller** of line 14a or 15 in column (2) but not less than zero	18			
19	Enter the estate's or trust's qualified dividends from Form 1041, line 2b(2) (or enter the qualified dividends included in income in Part I of Form 990-T)	19			
20	Add lines 18 and 19	20			
21	If the estate or trust is filing Form 4952, enter the amount from line 4g; otherwise, enter -0- ▶	21			
22	Subtract line 21 from line 20. If zero or less, enter -0-			22	
23	Subtract line 22 from line 17. If zero or less, enter -0-			23	
24	Enter the **smaller** of the amount on line 17 or $2,300			24	
25	Is the amount on line 23 equal to or more than the amount on line 24? ☐ **Yes.** Skip lines 25 and 26; go to line 27 and check the "No" box. ☐ **No.** Enter the amount from line 23			25	
26	Subtract line 25 from line 24			26	
27	Are the amounts on lines 22 and 26 the same? ☐ **Yes.** Skip lines 27 thru 30, go to line 31 ☐ **No.** Enter the **smaller** of line 17 or line 22			27	
28	Enter the amount from line 26 (If line 26 is blank, enter -0-)			28	
29	Subtract line 28 from line 27			29	
30	Multiply line 29 by 15% (.15)				30
31	Figure the tax on the amount on line 23. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				31
32	Add lines 30 and 31				32
33	Figure the tax on the amount on line 17. Use the 2010 Tax Rate Schedule for Estates and Trusts (see the Schedule G instructions in the instructions for Form 1041)				33
34	**Tax on all taxable income.** Enter the **smaller** of line 32 or line 33 here and on Form 1041, Schedule G, line 1a (or Form 990-T, line 36)				34

Form **4797**

Department of the Treasury
Internal Revenue Service (99)

Sales of Business Property
(Also Involuntary Conversions and Recapture Amounts Under Sections 179 and 280F(b)(2))

▶ Attach to your tax return. ▶ See separate instructions.

OMB No. 1545-0184

2010

Attachment Sequence No. **27**

Name(s) shown on return

WOMEN & INFANTS HOSPITAL OF RI

Identifying number

05-0258937

1 Enter the gross proceeds from sales or exchanges reported to you for 2010 on Form(s) 1099-B or 1099-S (or substitute statement) that you are including on line 2, 10, or 20 (see instructions) 1

Part I **Sales or Exchanges of Property Used in a Trade or Business and Involuntary Conversions From Other Than Casualty or Theft - Most Property Held More Than 1 Year** (see instructions)

2 (a) Description of property	(b) Date acquired (mo., day, yr.)	(c) Date sold (mo , day, yr.)	(d) Gross sales price	(e) Depreciation allowed or allowable since acquisition	(f) Cost or other basis, plus improvements and expense of sale	(g) Gain or (loss) Subtract (f) from the sum of (d) and (e)

3	Gain, if any, from Form 4684, line 42	3	
4	Section 1231 gain from installment sales from Form 6252, line 26 or 37	4	
5	Section 1231 gain or (loss) from like-kind exchanges from Form 8824	5	
6	Gain, if any, from line 32, from other than casualty or theft	6	
7	Combine lines 2 through 6. Enter the gain or (loss) here and on the appropriate line as follows:	7	
	Partnerships (except electing large partnerships) and S corporations. Report the gain or (loss) following the instructions for Form 1065, Schedule K, line 10, or Form 1120S, Schedule K, line 9. Skip lines 8, 9, 11, and 12 below.		
	Individuals, partners, S corporation shareholders, and all others. If line 7 is zero or a loss, enter the amount from line 7 on line 11 below and skip lines 8 and 9 If line 7 is a gain and you did not have any prior year section 1231 losses, or they were recaptured in an earlier year, enter the gain from line 7 as a long-term capital gain on the Schedule D filed with your return and skip lines 8, 9, 11, and 12 below.		
8	Nonrecaptured net section 1231 losses from prior years (see instructions)	8	
9	Subtract line 8 from line 7 If zero or less, enter -0- If line 9 is zero, enter the gain from line 7 on line 12 below. If line 9 is more than zero, enter the amount from line 8 on line 12 below and enter the gain from line 9 as a long-term capital gain on the Schedule D filed with your return (see instructions)	9	

Part II **Ordinary Gains and Losses** (see instructions)

10 Ordinary gains and losses not included on lines 11 through 16 (include property held 1 year or less):

ATTACHMENT 1						65,985.

11	Loss, if any, from line 7	11	( )
12	Gain, if any, from line 7 or amount from line 8, if applicable	12	
13	Gain, if any, from line 31	13	
14	Net gain or (loss) from Form 4684, lines 34 and 41a	14	
15	Ordinary gain from installment sales from Form 6252, line 25 or 36	15	
16	Ordinary gain or (loss) from like-kind exchanges from Form 8824	16	
17	Combine lines 10 through 16	17	65,985.
18	For all except individual returns, enter the amount from line 17 on the appropriate line of your return and skip lines a and b below. For individual returns, complete lines a and b below:		
a	If the loss on line 11 includes a loss from Form 4684, line 38, column (b)(ii), enter that part of the loss here. Enter the part of the loss from income-producing property on Schedule A (Form 1040), line 28, and the part of the loss from property used as an employee on Schedule A (Form 1040), line 23. Identify as from "Form 4797, line 18a." See instructions	18a	
b	Redetermine the gain or (loss) on line 17 excluding the loss, if any, on line 18a. Enter here and on Form 1040, line 14	18b	

DRAFT

Part III **Gain From Disposition of Property Under Sections 1245, 1250, 1252, 1254, and 1255** (see instructions)

19 (a) Description of section 1245, 1250, 1252, 1254, or 1255 property.	(b) Date acquired (mo , day, yr.)	(c) Date sold (mo., day, yr.)
A		
B		
C		
D		

These columns relate to the properties on lines 19A through 19D. ▶		Property A	Property B	Property C	Property D
20	Gross sales price (**Note:** *See line 1 before completing.*)	20				
21	Cost or other basis plus expense of sale	21				
22	Depreciation (or depletion) allowed or allowable	22				
23	Adjusted basis Subtract line 22 from line 21	23				
24	Total gain. Subtract line 23 from line 20	24				
25	**If section 1245 property:**					
a	Depreciation allowed or allowable from line 22	25a				
b	Enter the **smaller** of line 24 or 25a	25b				
26	**If section 1250 property:** If straight line depreciation was used, enter -0- on line 26g, except for a corporation subject to section 291.					
a	Additional depreciation after 1975 (see instructions)	26a				
b	Applicable percentage multiplied by the **smaller** of line 24 or line 26a (see instructions)	26b				
c	Subtract line 26a from line 24 If residential rental property or line 24 is not more than line 26a, skip lines 26d and 26e	26c				
d	Additional depreciation after 1969 and before 1976	26d				
e	Enter the **smaller** of line 26c or 26d	26e				
f	Section 291 amount (corporations only)	26f				
g	Add lines 26b, 26e, and 26f	26g				
27	**If section 1252 property:** Skip this section if you did not dispose of farmland or if this form is being completed for a partnership (other than an electing large partnership).					
a	Soil, water, and land clearing expenses	27a				
b	Line 27a multiplied by applicable percentage (see instructions)	27b				
c	Enter the **smaller** of line 24 or 27b	27c				
28	**If section 1254 property:**					
a	Intangible drilling and development costs, expenditures for development of mines and other natural deposits, mining exploration costs, and depletion (see instructions)	28a				
b	Enter the **smaller** of line 24 or 28a	28b				
29	**If section 1255 property:**					
a	Applicable percentage of payments excluded from income under section 126 (see instructions)	29a				
b	Enter the **smaller** of line 24 or 29a (see instructions)	29b				

DRAFT

Summary of Part III Gains. Complete property columns A through D through line 29b before going to line 30.

30	Total gains for all properties Add property columns A through D, line 24	30	
31	Add property columns A through D, lines 25b, 26g, 27c, 28b, and 29b. Enter here and on line 13	31	
32	Subtract line 31 from line 30 Enter the portion from casualty or theft on Form 4684, line 36. Enter the portion from other than casualty or theft on Form 4797, line 6	32	

Part IV **Recapture Amounts Under Sections 179 and 280F(b)(2) When Business Use Drops to 50% or Less** (see instructions)

		(a) Section 179	(b) Section 280F(b)(2)
33	Section 179 expense deduction or depreciation allowable in prior years 33		
34	Recomputed depreciation (see instructions) 34		
35	Recapture amount. Subtract line 34 from line 33. See the instructions for where to report 35		

Supplement to Form 4797 Part II Detail

ATTACHMENT 1

Description	Date Acquired	Date Sold	Gross Sales Price	Depreciation Allowed or Allowable	Cost or Other Basis	Gain or (Loss) for entire year
EQUIPMENT	VARIOUS	VARIOUS	67,340.		1,355.	65,985.

Form **5471**
(Rev. December 2007)
Department of the Treasury
Internal Revenue Service

Information Return of U.S. Persons With Respect To Certain Foreign Corporations

▶ **See separate instructions.**

Information furnished for the foreign corporation's annual accounting period (tax year required by section 898) (see instructions) beginning 10/01/2010 , and ending 09/30/2011

OMB No. 1545-0704

Attachment Sequence No. **121**

Name of person filing this return
WOMEN & INFANTS HOSPITAL OF RI

A Identifying number
05-0258937

Number, street, and room or suite no. (or P O box number if mail is not delivered to street address)
101 DUDLEY STREET

B Category of filer (See instructions. Check applicable box(es))
1 (repealed) 2 ☐ 3 ☐ 4 ☒ 5 ☒

City or town, state, and ZIP code
PROVIDENCE RI 02905

C Enter the total percentage of the foreign corporation's voting stock you owned at the end of its annual accounting period 100.000%

Filer's tax year beginning 10/01/2010 , and ending 09/30/2011

D Person(s) on whose behalf this information return is filed:

(1) Name	(2) Address	(3) Identifying number	(4) Check applicable box(es)		
			Shareholder	Officer	Director

Important: *Fill in all applicable lines and schedules. All information* ***must*** *be in English. All amounts* ***must*** *be stated in U.S. dollars unless otherwise indicated.*

1a Name and address of foreign corporation
W&I INDEMNITY, LTD.
P.O. BOX 1051
, GRAND CAYMAN CJ

b Employer identification number, if any
98-0159342

c Country under whose laws incorporated
CAYMAN ISLANDS

d Date of incorporation	**e** Principal place of business	**f** Principal business activity code number	**g** Principal business activity	**h** Functional currency
11/07/1994	CJ	525990	OTHER FINANCIAL VEHICLE	U.S. DOLLAR

2 Provide the following information for the foreign corporation's accounting period stated above.

a Name, address, and identifying number of branch office or agent (if any) in the United States

b If a U.S. income tax return was filed, enter:

(i) Taxable income or (loss)	*(ii)* U.S. income tax paid (after all credits)
0.	0.

c Name and address of foreign corporation's statutory or resident agent in country of incorporation
MARSH MANAGEMENT
P.O BOX 1051
GRAND CAYMAN CJ

d Name and address (including corporate department, if applicable) of person (or persons) with custody of the books and records of the foreign corporation, and the location of such books and records, if different

DRAFT

Schedule A Stock of the Foreign Corporation

(a) Description of each class of stock	(b) Number of shares issued and outstanding	
	(i) Beginning of annual accounting period	*(ii)* End of annual accounting period
COMMON	120,000.	120,000.

For Paperwork Reduction Act Notice, see instructions. Form **5471** (Rev 12-2007)

Schedule B U.S. Shareholders of Foreign Corporation (see instructions)

(a) Name, address, and identifying number of shareholder	(b) Description of each class of stock held by shareholder. **Note:** *This description should match the corresponding description entered in Schedule A, column (a).*	(c) Number of shares held at beginning of annual accounting period	(d) Number of shares held at end of annual accounting period	(e) Pro rata share of subpart F income (enter as a percentage)
WOMEN & INFANTS HOSPITAL OF RI 101 DUDLEY STREET PROVIDENCE RI 02905 05-0258937	COMMON	120,000.	120,000.	1.00000

Schedule C Income Statement (see instructions)

Important: *Report all information in functional currency in accordance with U.S. GAAP. Also, report each amount in U.S. dollars translated from functional currency (using GAAP translation rules). However, if the functional currency is the U.S. dollar, complete only the U.S. Dollars column. See instructions for special rules for DASTM corporations.*

DRAFT

				Functional Currency	U.S. Dollars
Income	1 a	Gross receipts or sales	1a		13,228,683.
	b	Returns and allowances	1b		
	c	Subtract line 1b from line 1a	1c		13,228,683.
	2	Cost of goods sold	2		
	3	Gross profit (subtract line 2 from line 1c)	3		13,228,683.
	4	Dividends	4		
	5	Interest	5		276,138.
	6 a	Gross rents	6a		
	b	Gross royalties and license fees	6b		
	7	Net gain or (loss) on sale of capital assets	7		
	8	Other income (attach schedule) ATTACHMENT 1	8		4,405,144.
	9	Total income (add lines 3 through 8)	9		17,909,965.
Deductions	10	Compensation not deducted elsewhere	10		
	11 a	Rents	11a		
	b	Royalties and license fees	11b		
	12	Interest	12		
	13	Depreciation not deducted elsewhere	13		
	14	Depletion	14		
	15	Taxes (exclude provision for income, war profits, and excess profits taxes)	15		
	16	Other deductions (attach schedule - exclude provision for income, war profits, and excess profits taxes) ATTACHMENT 2	16		16,314,372.
	17	Total deductions (add lines 10 through 16)	17		16,314,372.
Net Income	18	Net income or (loss) before extraordinary items, prior period adjustments, and the provision for income, war profits, and excess profits taxes (subtract line 17 from line 9)	18		1,595,593.
	19	Extraordinary items and prior period adjustments (see instructions)	19		
	20	Provision for income, war profits, and excess profits taxes (see instructions)	20		
	21	Current year net income or (loss) per books (combine lines 18 through 20)	21		1,595,593.

Schedule E Income, War Profits, and Excess Profits Taxes Paid or Accrued (see instructions)

	(a) Name of country or U.S. possession	Amount of tax (b) In foreign currency	(c) Conversion rate	(d) In U.S dollars
1	U.S.			0.
2	CAYMAN ISLANDS	0.	1.0000	0.
3				
4				
5				
6				
7				
8	Total ▶			0.

Schedule F Balance Sheet

Important: *Report all amounts in U.S. dollars prepared and translated in accordance with U.S. GAAP. See instructions for an exception for DASTM corporations.*

	Assets		(a) Beginning of annual accounting period	(b) End of annual accounting period
1	Cash	1	2,885,359.	3,239,379.
2a	Trade notes and accounts receivable	2a		
b	Less allowance for bad debts	2b	( )	( )
3	Inventories	3		
4	Other current assets (attach schedule) ATTACHMENT 3	4	8,355,137.	8,599,090.
5	Loans to shareholders and other related persons	5		
6	Investment in subsidiaries (attach schedule)	6		
7	Other investments (attach schedule) ATTACHMENT 4	7	84,875,608.	83,852,974.
8a	Buildings and other depreciable assets	8a		
b	Less accumulated depreciation	8b	( )	( )
9a	Depletable assets	9a		
b	Less accumulated depletion	9b	( )	( )
10	Land (net of any amortization)	10		
11	Intangible assets:			
a	Goodwill	11a		
b	Organization costs	11b		
c	Patents, trademarks, and other intangible assets	11c		
d	Less accumulated amortization for lines 11a, b, and c	11d	( )	( )
12	Other assets (attach schedule)	12		
13	Total assets	13	96,116,104.	95,691,443.
	Liabilities and Shareholders' Equity			
14	Accounts payable	14	427,541.	593,088.
15	Other current liabilities (attach schedule) ATTACHMENT 5	15	6,011,520.	5,113,338.
16	Loans from shareholders and other related persons	16		
17	Other liabilities (attach schedule) ATTACHMENT 6	17	58,540,990.	59,753,371.
18	Capital stock:			
a	Preferred stock	18a		
b	Common stock	18b	120,000.	120,000.
19	Paid-in or capital surplus (attach reconciliation)	19		
20	Retained earnings	20	31,016,053.	30,111,646.
21	Less cost of treasury stock	21	( )	( )
22	Total liabilities and shareholders' equity	22	96,116,104.	95,691,443.

DRAFT

Schedule G Other Information

		Yes	No
1	During the tax year, did the foreign corporation own at least a 10% interest, directly or indirectly, in any foreign partnership? If "Yes," see the instructions for required attachment.		X
2	During the tax year, did the foreign corporation own an interest in any trust?		X
3	During the tax year, did the foreign corporation own any foreign entities that were disregarded as entities separate from their owners under Regulations sections 301.7701-2 and 301 7701-3 (see instructions)? If "Yes," you are generally required to attach Form 8858 for each entity (see instructions).		X
4	During the tax year, was the foreign corporation a participant in any cost sharing arrangement?		X
5	During the course of the tax year, did the foreign corporation become a participant in any cost sharing arrangement?		X

Schedule H Current Earnings and Profits (see instructions)

Important: *Enter the amounts on lines 1 through 5c in* ***functional*** *currency.*

1	Current year net income or (loss) per foreign books of account			1	1,595,593.
2	Net adjustments made to line 1 to determine current earnings and profits according to U S. financial and tax accounting standards (see instructions):	**Net Additions**	**Net Subtractions**		
a	Capital gains or losses				
b	Depreciation and amortization				
c	Depletion				
d	Investment or incentive allowance				
e	Charges to statutory reserves				
f	Inventory adjustments				
g	Taxes				
h	Other (attach schedule) ATCH 7	14,686,330.	13,228,683.		
3	Total net additions	14,686,330.			
4	Total net subtractions		13,228,683.		
5 a	Current earnings and profits (line 1 plus line 3 minus line 4)			5a	3,053,240.
b	DASTM gain or (loss) for foreign corporations that use DASTM (see instructions)			5b	
c	Combine lines 5a and 5b			5c	3,053,240.
d	Current earnings and profits in U S. dollars (line 5c translated at the appropriate exchange rate as defined in section 989(b) and the related regulations (see instructions)) Enter exchange rate used for line 5d ▶			5d	

DRAFT

Schedule I Summary of Shareholder's Income From Foreign Corporation (see instructions)

1	Subpart F income (line 38b, Worksheet A in the instructions)	1	
2	Earnings invested in U.S property (line 17, Worksheet B in the instructions)	2	
3	Previously excluded subpart F income withdrawn from qualified investments (line 6b, Worksheet C in the instructions)	3	
4	Previously excluded export trade income withdrawn from investment in export trade assets (line 7b, Worksheet D in the instructions)	4	
5	Factoring income	5	
6	Total of lines 1 through 5. Enter here and on your income tax return. See instructions	6	
7	Dividends received (translated at spot rate on payment date under section 989(b)(1))	7	
8	Exchange gain or (loss) on a distribution of previously taxed income	8	

	Yes	No
• Was any income of the foreign corporation blocked?		X
• Did any such income become unblocked during the tax year (see section 964(b))?		X

If the answer to either question is "Yes," attach an explanation.

05-0258937

SCHEDULE J (Form 5471)
(Rev. December 2005)
Department of the Treasury
Internal Revenue Service

Accumulated Earnings and Profits (E&P) of Controlled Foreign Corporation

▶ Attach to Form 5471. See Instructions for Form 5471.

OMB No. 1545-0704

Name of person filing Form 5471
WOMEN & INFANTS HOSPITAL OF RI

Identifying number
05-0258937

Name of foreign corporation
W&I INDEMNITY, LTD.

Important. Enter amounts in functional currency.	(a) Post-1986 Undistributed Earnings (post-86 section 959(c)(3) balance)	(b) Pre-1987 E&P Not Previously Taxed (pre-87 section 959(c)(3) balance)	(c) Previously Taxed E&P (see instructions) (sections 959(c)(1) and (2) balances)			(d) Total Section 964(a) E&P (combine columns (a), (b), and (c))
			(i) Earnings Invested in U.S. Property	(ii) Earnings Invested in Excess Passive Assets	(iii) Subpart F Income	
1 Balance at beginning of year	-3,835,257.					-3,835,257.
2a Current year E&P	3,053,240.					
b Current year deficit in E&P						
3 Total current and accumulated E&P not previously taxed (line 1 plus line 2a **or** line 1 minus line 2b)	-782,017.					
4 Amounts included under section 951(a) or reclassified under section 959(c) in current year						
5a Actual distributions or reclassifications of previously taxed E&P						
b Actual distributions of nonpreviously taxed E&P						
6a Balance of previously taxed E&P at end of year (line 1 plus line 4, minus line 5a)						
b Balance of E&P not previously taxed at end of year (line 3 minus line 4, minus line 5b)	-782,017.					
7 Balance at end of year. (Enter amount from line 6a or line 6b, whichever is applicable.)	-782,017.					-782,017.

DRAFT

For Paperwork Reduction Act Notice, see the Instructions for Form 5471.

Schedule J (Form 5471) (Rev. 12-2005)

JSA
0X1665 1 000

SCHEDULE M (Form 5471)
(Rev. December 2010)
Department of the Treasury
Internal Revenue Service

Transactions Between Controlled Foreign Corporation and Shareholders or Other Related Persons

▶ Attach to Form 5471. See instructions for Form 5471.

OMB No 1545-0704

Name of person filing Form 5471: WOMEN & INFANTS HOSPITAL OF RI

Identifying number: 05-0258937

Name of foreign corporation: W&I INDEMNITY, LTD.

Important: *Complete a* ***separate*** *Schedule M for each controlled foreign corporation. Enter the totals for each type of transaction that occurred during the annual accounting period between the foreign corporation and the persons listed in columns (b) through (f). All amounts must be stated in U.S. dollars translated from functional currency at the average exchange rate for the foreign corporation's tax year. See instructions.*

Enter the relevant functional currency and the exchange rate used throughout this schedule ▶ U.S. DOLLAR

(a) Transactions of foreign corporation	(b) U.S. person filing this return	(c) Any domestic corporation or partnership controlled by U.S. person filing this return	(d) Any other foreign corporation or partnership controlled by U S. person filing this return	(e) 10% or more U.S. shareholder of controlled foreign corporation (other than the U S person filing this return)	(f) 10% or more U S. shareholder of any corporation controlling the foreign corporation
1 Sales of stock in trade (inventory)	0.	0.	0.	0.	0.
2 Sales of tangible property other than stock in trade					
3 Sales of property rights (patents, trademarks, etc.)					
4 Platform contribution transaction payments received					
5 Cost sharing transaction payments received					
6 Compensation received for technical, managerial, engineering, construction, or like services					
7 Commissions received					
8 Rents, royalties, and license fees received					
9 Dividends received (exclude deemed distributions under subpart F and distributions of previously taxed income)					
10 Interest received					
11 Premiums received for insurance or reinsurance					
12 Add lines 1 through 11	0.	0.	0.	0.	0.
13 Purchases of stock in trade (inventory)					
14 Purchases of tangible property other than stock in trade					
15 Purchases of property rights (patents, trademarks, etc)					
16 Platform contribution transaction payments paid					
17 Cost sharing transaction payments paid					
18 Compensation paid for technical, managerial, engineering, construction, or like services					
19 Commissions paid					
20 Rents, royalties, and license fees paid					
21 Dividends paid					
22 Interest paid					
23 Premiums paid for insurance or reinsurance					
24 Add lines 13 through 23					
25 Amounts borrowed (enter the maximum loan balance during the year) - see instructions	0.	0.	0.	0.	0.
26 Amounts loaned (enter the maximum loan balance during the year) - see instructions	0.	0.	0.	0.	0.

DRAFT

RIDOH 2187

FORM 5471, PAGE 2 DETAIL

SCH C, LINE 8 - OTHER INCOME

ATTACHMENT 1

REALIZED GAIN ON INVESTMENTS	4,405,144.
TOTAL	4,405,144.

SCH C, LINE 16 - OTHER DEDUCTIONS

ATTACHMENT 2

UNREALIZED LOSSES ON INVESTMENTS	5,508,874.
GENERAL & ADMINISTRATIVE EXPENSES	1,628,042.
LOSSES PAID & LOSS EXPENSES	8,011,402.
CHANGE IN RESERVES - LOSS & ADJ EXP	1,166,054.
TOTAL	16,314,372.

DRAFT

FORM 5471, PAGE 3 DETAIL

	BEGINNING US CURRENCY	ENDING US CURRENCY
		ATTACHMENT 3
SCH F, LINE 4 - OTHER CURRENT ASSETS		
PREMIUM RECEIVABLE	8,326,113.	8,569,001.
ACRRUED INTEREST RECEIVABLE	7,679.	12,226.
PREPAID EXPENSES	21,345.	17,863.
TOTALS	8,355,137.	8,599,090.
		ATTACHMENT 4
SCH F, LINE 7 - OTHER INVESTMENTS		
MARKETABLE SECURITIES	84,875,608.	83,852,974.
TOTALS	84,875,608.	83,852,974.
		ATTACHMENT 5
SCH F, LINE 15 - OTHER CURRENT LIABILITIES		
UNEARNED PREMIUMS	6,011,520.	5,113,338.
TOTALS	6,011,520.	5,113,338.
		ATTACHMENT 6
SCH F, LINE 17 - OTHER LIABILITIES		
LOSSES PAYABLE	351,590.	397,917.
OUTSTANDING LOSS RESERVES & IBNR	58,189,400.	59,355,454.
TOTALS	58,540,990.	59,753,371.

DRAFT

FORM 5471, PAGE 4 DETAIL

SCH H, LINE 2H - OTHER RECONCILING ITEMS	NET ADDITIONS	NET SUBTRACTS
LOSS & LOSS ADJUSTMENT EXPENSE INCURRED	9,177,456.	
UNREALIZED LOSS ON INVESTMENT	5,508,874.	
PREMIUMS EARNED		13,228,683.
TOTALS	14,686,330.	13,228,683.

DRAFT

Form **926**
(Rev. December 2008)
Department of the Treasury
Internal Revenue Service

Return by a U.S. Transferor of Property to a Foreign Corporation

▶ Attach to your income tax return for the year of the transfer or distribution.

OMB No. 1545-0026
Attachment Sequence No. **128**

Part I **U.S. Transferor Information** (see instructions)

Name of transferor	Identifying number (see instructions)
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND	05-0258937

1 If the transferor was a corporation, complete questions 1a through 1d.

a If the transfer was a section 361(a) or (b) transfer, was the transferor controlled (under section 368(c)) by 5 or fewer domestic corporations? . . . . . ☐ Yes ☒ No

b Did the transferor remain in existence after the transfer? . . . . . ☒ Yes ☐ No

If not, list the controlling shareholder(s) and their identifying number(s):

Controlling shareholder	Identifying number

c If the transferor was a member of an affiliated group filing a consolidated return, was it the parent corporation? . . . . . ☐ Yes ☐ No

If not, list the name and employer identification number (EIN) of the parent corporation:

Name of parent corporation	EIN of parent corporation

d Have basis adjustments under section 367(a)(5) been made? . . . . . ☐ Yes ☐ No

2 If the transferor was a partner in a partnership that was the actual transferor (but is not treated as such under section 367), complete questions 2a through 2d.

a List the name and EIN of the transferor's partnership:

Name of partnership	EIN of partnership

b Did the partner pick up its pro rata share of gain on the transfer of partnership assets? . . . . . ☐ Yes ☐ No

c Is the partner disposing of its **entire** interest in the partnership? . . . . . ☐ Yes ☐ No

d Is the partner disposing of an interest in a limited partnership that is regularly traded on an established securities market? . . . . . ☐ Yes ☐ No

Part II **Transferee Foreign Corporation Information** (see instructions)

3 Name of transferee (foreign corporation)	4 Identifying number, if any
W&I INDEMNITY, LTD.	98-0159342

5 Address (including country) P.O. BOX 1051
GRAND CAYMAN CAYMAN ISLANDS CJ

6 Country code of country of incorporation or organization (see instructions)
CJ

7 Foreign law characterization (see instructions)
CORPORATION

8 Is the transferee foreign corporation a controlled foreign corporation? . . . . . ☒ Yes ☐ No

DRAFT

Part III **Information Regarding Transfer of Property** (see instructions)

Type of property	(a) Date of transfer	(b) Description of property	(c) Fair market value on date of transfer	(d) Cost or other basis	(e) Gain recognized on transfer
Cash	VAR		12,345,895.		
Stock and securities					
Installment obligations, account receivables or similar property					
Foreign currency or other property denominated in foreign currency					
Inventory					
Assets subject to depreciation recapture (see Temp. Regs. sec. 1.367(a)-4T(b))					
Tangible property used in trade or business not listed under another category					
Intangible property					
Property to be leased (as described in Temp. Regs sec. 1.367(a)-4T(c))					
Property to be sold (as described in Temp Regs. sec. 1.367(a)-4T(d))					
Transfers of oil and gas working interests (as described in Temp. Regs. sec. 1.367(a)-4T(e))					
Other property					

DRAFT

Supplemental Information Required To Be Reported (see instructions):

TRANSFER OF $12,345,895 CASH AND DEEMED CASH CONTRIBUTIONS ON VARIOUS DATES DURING THE FISCAL YEAR ENDED 9/30/2011. THE AMOUNTS TRANSFERRED WERE IN THE FORM OF A PREMIUM PAID TO A WHOLLY OWNED CAPTIVE. FOR U.S. FEDERAL INCOME TAX PURPOSES, THE ARRANGEMENT IS NOT BEING TREATED AS INSURANCE.

Part IV **Additional Information Regarding Transfer of Property** (see instructions)

9 Enter the transferor's interest in the foreign transferee corporation before and after the transfer:

(a) Before 100 % (b) After 100 %

10 Type of nonrecognition transaction (see instructions) ▶ SECTION 351

11 Indicate whether any transfer reported in Part III is subject to any of the following:

a	Gain recognition under section 904(f)(3)	☐ Yes	☒ No
b	Gain recognition under section 904(f)(5)(F)	☐ Yes	☒ No
c	Recapture under section 1503(d)	☐ Yes	☒ No
d	Exchange gain under section 987	☐ Yes	☒ No

12 Did this transfer result from a change in the classification of the transferee to that of a foreign corporation? ☐ Yes ☒ No

13 Indicate whether the transferor was required to recognize income under Temporary Regulations sections 1.367(a)-4T through 1.367(a)-6T for any of the following:

a	Tainted property	☐ Yes	☒ No
b	Depreciation recapture	☐ Yes	☒ No
c	Branch loss recapture	☐ Yes	☒ No
d	Any other income recognition provision contained in the above-referenced regulations	☐ Yes	☒ No

14 Did the transferor transfer assets which qualify for the trade or business exception under section 367(a)(3)? ☐ Yes ☒ No

15a Did the transferor transfer foreign goodwill or going concern value as defined in Temporary Regulations section 1.367(a)-1T(d)(5)(iii)? ☐ Yes ☒ No

b If the answer to line 15a is "Yes," enter the amount of foreign goodwill or going concern value transferred ▶ $ _____

16 Was cash the only property transferred? ☒ Yes ☐ No

17a Was intangible property (within the meaning of section 936(h)(3)(B)) transferred as a result of the transaction? ☐ Yes ☒ No

b If "Yes," describe the nature of the rights to the intangible property that was transferred as a result of the transaction:

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SECTION 6038 STATEMENT

1. TRANSFEROR:
NAME: WOMEN & INFANTS HOSPITAL OF RHODE ISLAND
FEIN: 05-0258937
ADDRESS: 101 DUDLEY STREET
PROVIDENCE, RI 02905

2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: W&I INDEMNITY, LTD.
FEIN: 98-0159342
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS
COUNTRY OF INCORPORATION: CAYMAN ISLANDS

(II) WOMEN & INFANTS HOSPITAL OF RHODE ISLAND TRANSFERRED TO W&I INDEMNITY, LTD. CASH OF $12,345,895 AS A PAID PREMIUM. THE TRANSFER BY WOMEN & INFANTS HOSPITAL OF RHODE ISLAND IN THE AMOUNT OF $12,345,895 IS A CAPITAL CONTRIBUTION TO W&I INDEMNITY, LTD. BEFORE AND AFTER THE EXCHANGE, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, OWNED 100.0% OF W&I INDEMNITY, LTD. STOCK. SUBJECT TO THE PROVISION OF IRC §367(A) OF 1986, AS AMENDED, THE TRANSACTION QUALITIES AS A TAX-FREE TRANSACTION UNDER IRC §351.

3. CONSIDERATION RECEIVED: SHARE INTEREST

4. PROPERTY TRANSFERRED:
(I) CASH: $12,345,895
(II) ACTIVE BUSINESS PROPERTY: NOT APPLICABLE
(III) STOCK OR SECURITIES: NOT APPLICABLE
(IV) DEPRECIATED PROPERTY: NOT APPLICABLE
(V) PROPERTY TO BE LEASED: NOT APPLICABLE
(VI) PROPERTY TO BE SOLD: NOT APPLICABLE
(VII) TRANSFERS TO FSC'S: NOT APPLICABLE
(VIII) TAINTED PROPERTY: NOT APPLICABLE
(IX) FOREIGN LOSS BRANCH: NOT APPLICABLE
(X) OTHER INTANGIBLES: NOT APPLICABLE

5. TRANSFER OF FOREIGN BRANCH WITH PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE
(I) BRANCH OPERATION: NOT APPLICABLE
(II) BRANCH PROPERTY: NOT APPLICABLE
(III) PREVIOUSLY DEDUCTED LOSSES: NOT APPLICABLE
(IV) CHARACTER OF GAIN: NOT APPLICABLE

6. APPLICATION OF SECTION 367(A)(5): NOT APPLICABLE.

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471, SCHEDULE M, LINE 11

W&I INDEMNITY, LTD. IS A CAPTIVE INSURANCE COMPANY, AND AS SUCH, DOES NOT RECOGNIZE PREMIUM REVENUE. INSTEAD, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND MAKES SELF INSURANCE DEPOSITS WITH THE ORGANIZATION.

DRAFT

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471 AND FORM 926

1. TRANSFEROR:
NAME: WOMEN & INFANTS HOSPITAL OF RHODE ISLAND
FEIN: 05-0258937
ADDRESS: 101 DUDLEY STREET
PROVIDENCE, RI 02905

2. TRANSFER:
(I) TRANSFEREE FOREIGN CORPORATION:
NAME: W&I INDEMNITY, LTD.
FEIN: 98-0159342
ADDRESS: P.O. BOX 1051
GRAND CAYMAN, CAYMAN ISLANDS, B.W.I.

THIS STATEMENT IS BEING FILED WITH W&I INDEMNITY, LTD., THE TRANSFEREE, FORM 5471, OF U.S. PERSONS, WITH RESPECT TO THE TRANSFEREE, FOR THE TAXABLE YEAR ENDED SEPTEMBER 30, 2011.

THIS STATEMENT IS FILED IN ACCORANCE WITH REG. §1.351-3(B) TO DISCLOSE THE DETAILS OF PROPERTY TRANSFERRED TO THE ABOVE CONTROLLED CORPORATION.

2. DATE(S) OF THE TRANSFER OF ASSETS:

2/1/2011 - $ 3,141,723
3/1/2011 - $ 1,864,892
8/1/2011 - $ 7,339,280
$12,345,895

DRAFT

3. AGGREGATE FAIR MARKET VALUE AND BASIS, DETERMINED IMMEDIATELY BEFORE THE EXCHANGE, OF ALL PROPERTY RECEIVED IN THE EXCHANGE:

A. FAIR MARKET VALUE

AT VARIOUS TIMES THROUGHOUT THE YEAR, THE TRANSFEREE RECEIVED CASH AND DEEMED CONTRIBUTIONS IN THE AMOUNT OF USD $12,345,895 FROM THE TRANSFEROR, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

B. ADJUSTED BASIS OF PROPERTY:

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND BASIS IN THE PROPERTY TRANSFERRED ON THE DATE(S) OF THE EXCHANGE WAS USD $12,345,895

FEDERAL ELECTIONS

DESCRIPTION: FORM 5471 AND FORM 926

4. DATE AND CONTROL NUMBER OF ANY PRIVATE LETTER RULING(S) ISSUED BY THE INTERNAL REVENUE SERVICE IN CONNECTION WITH THE SECTION 351 EXCHANGE: NOT APPLICABLE.

DRAFT

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01, **2009, and ending** 09/30, **20** 10

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific instructions.

C Name of organization: WOMEN & INFANTS HOSPITAL OF RI

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 101 DUDLEY STREET — Room/suite:

City or town, state or country, and ZIP + 4: PROVIDENCE, RI 02905

D Employer identification number: 05-0258937

E Telephone number: (401) 274-1122 EXT 2192

G Gross receipts $ 409,991,259.

F Name and address of principal officer: CONSTANCE A. HOWES
101 DUDLEY STREET PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.WOMENANDINFANTS.ORG

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶ **L** Year of formation. 1884 **M** State of legal domicile. RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities:
WOMEN & INFANTS HOSPITAL IS COMMITTED TO IMPROVING HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	14
5	Total number of employees (Part V, line 2a)	5	3,356
6	Total number of volunteers (estimate if necessary)	6	450
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	12,214,529.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	2,369,154.

		Prior Year	Current Year
Revenue			
8	Contributions and grants (Part VIII, line 1h)	23,421,985.	24,012,903.
9	Program service revenue (Part VIII, line 2g)	325,965,093.	349,744,265.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,370,055.	880,836.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	37,970,105.	33,004,454.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	388,727,238.	407,642,458.
Expenses			
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	416,394.	1,173,314.
14	Benefits paid to or for members (Part IX, column (A), line 4)		0.
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	229,478,114.	252,334,147.
16a	Professional fundraising fees (Part IX, column (A), line 11e)		0.
b	Total fundraising expenses, Part IX. column (D), line 25) ▶ 727,023.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	143,403,096.	146,107,923.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	373,297,604.	399,615,384.
19	Revenue less expenses. Subtract line 18 from line 12	15,429,634.	8,027,074.

		Beginning of Year	End of Year
Net Assets or Fund Balances			
20	Total assets (Part X, line 16)	314,967,967.	315,905,776.
21	Total liabilities (Part X, line 26)	163,709,015.	159,900,266.
22	Net assets or fund balances. Subtract line 21 from line 20	151,258,952.	156,005,510.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Susan Drell — Date: 8/08/2011 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4: ERNST & YOUNG U.S. LLP, 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601 — EIN ▶ 34-6565596 — Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. * Form **990** (2009)

JSA
9E1010 3 000

RIDOH 2199

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
ATTACHMENT 3

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 354,340,390. including grants of $ 873,314.) (Revenue $ 370,322,259.)
THE HOSPITAL IS THE REGIONAL CENTER FOR WOMEN AND INFANTS HEALTHCARE IN RHODE ISLAND AND ENVIRONS, PROVIDING CARE IN THE AREAS OF OBSTETRICS, NEONATAL INTENSIVE CARE, REPRODUCTIVE ENDOCRINOLOGY, MATERNAL FETAL MEDICINE AND GYNECOLOGY.

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ including grants of $) (Revenue $)

4e Total program service expenses ▶ 354,340,390.

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If" Yes," complete Schedule D, Part V*	10	X	
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other-securitiesin Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12		X
12 A	Was the organization included in consolidated. independent audited financial statement for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.*	12A	X	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E.*	13		X
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15	X	
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	

RIDOH 2201

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	X	
24 a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25 a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		X
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33	X	
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35	X	
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		X
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	X	

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 343		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 3,356		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? **Note.** If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)	2b	X	
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶ CAYMAN ISLANDS See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

RIDOH 2203

Part VI Governance, Management, and Disclosure *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body	1a	20		
b	Enter the number of voting members that are independent	1b	14		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2			X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4			X
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5			X
6	Does the organization have members or stockholders?	6		X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		X	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?	8a		X	
b	Each committee with authority to act on behalf of the governing body?	8b		X	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9a			X

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	X	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	X	
b	Other officers or key employees of the organization	15b	X	
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ MA,

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ DEBRA M. PAUL, CPA MBA 101 DUDLEY STREET PROVIDENCE, RI 2905
401-274-1122

RIDOH 2204

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
ROGER N. BEGIN SECRETARY	5.00	X		X				0.	0.	0.
KATHLEEN COTE BOWLING, MD DIRECTOR	5.00	X						6,200.	0.	0.
LISA G. CHURCHVILLE DIRECTOR	5.00	X						0.	0.	0.
SHARON CONRAD-WELLS DIRECTOR	5.00	X						0.	0.	0.
MARGARET D. FARRELL, ESQ. TREASURER	5.00	X		X				0.	0.	0.
JUSTICE ROBERT G. FLANDERS,JR.(RET) VICE CHAIR	5.00	X		X				0.	0.	0.
WILLIAM F. HATFIELD DIRECTOR	5.00	X						0.	0.	0.
RAMON MARTINEZ DIRECTOR	5.00	X						0.	0.	0.
GINA RAIMONDO DIRECTOR	5.00	X						0.	0.	0.
CYNTHIA S. REED VICE-CHAIR	5.00	X		X				0.	0.	0.
ANNE SZOSTAK DIRECTOR	5.00	X						0.	0.	0.
JOHN R. GALVIN DIRECTOR	5.00	X						0.	0.	0.
LINDA MCGOLDRICK DIRECTOR	5.00	X						0.	0.	0.
TERRANCE CAHILL,MD PRESIDENT, MEDICAL STAFF ASSOC	5.00	X						11,200.	0.	0.
SANTINA L. SIENA, MD PRES-ELECT MEDICAL STAFF ASSOC	5.00	X						6,350.	0.	0.
FRED A. BROSCO, MD MEDICAL STAFF APPOINTED REP	5.00	X						0.	0.	0.

RIDOH 2205

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOANNA M. CAIN, MD CHAIR, OBSTETRICS/GYNECOLOGY	60.00	X						568,582.	0.	42,534.
JAMES F. PADBURY, MD PEDIATRICIAN - IN - CHIEF	60.00	X						669,523.	0.	84,414.
LEVI C. ADAMS HONORARY TRUSTEE	5.00	X						0.	0.	0.
THOMAS P. DIMEO HONORARY TRUSTEE	5.00	X						0.	0.	0.
BENJAMIN P. HARRIS, III HONORARY TRUSTEE	5.00	X						0.	0.	0.
STANLEY LIVINGSTON, JR. HONORARY TRUSTEE	5.00	X						0.	0.	0.
HOWARD MERRIMAN, JR. HONORARY TRUSTEE	5.00	X						0.	0.	0.
KATHRYN M. PARSONS HONORARY TRUSTEE	5.00	X						0.	0.	0.
HARRIS N. ROSEN HONORARY TRUSTEE	5.00	X						0.	0.	0.
JEAN K. SEAMAN HONORARY TRUSTEE	5.00	X						0.	0.	0.
WALTER C. TILLINGHAST HONORARY TRUSTEE	5.00	X						0.	0.	0.
ROBINSON C. TROWBRIDGE HONORARY TRUSTEE	5.00	X						0.	0.	0.
DOUGLAS L. JACOBS CHAIR	5.00	X		X				0.	0.	0.
1b Total . CONTINUED AT SCHEDULE J-2 . . . . . ▶								10,337,689.	0.	1,356,926.

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 268

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	X	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 4		

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 23

RIDOH 2206

Part VIII Statement of Revenue 05-0258937

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a				
	b	Membership dues	1b				
	c	Fundraising events	1c	15,457.			
	d	Related organizations	1d				
	e	Government grants (contributions)	1e	13,740,591.			
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	10,256,855.			
	g	Noncash contributions included in lines 1a-1f: $		525,495.			
	h	**Total.** Add lines 1a-1f			24,012,903.		
Program Service Revenue			**Business Code**				
	2a	PATIENT SERVICE REVENUE	622310	349,744,265.	349,744,265.		
	b						
	c						
	d						
	e						
	f	All other program service revenue					
	g	**Total.** Add lines 2a-2f			349,744,265.		
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts)		748,031.			748,031.
	4	Income from investment of tax-exempt bond proceeds		0.			
	5	Royalties		101,624.	101,624.		
			(i) Real / (ii) Personal				
	6a	Gross Rents					
	b	Less: rental expenses					
	c	Rental income or (loss)					
	d	Net rental income or (loss)		0.			
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	1,852,963. / 558,809.				
	b	Less: cost or other basis and sales expenses	1,731,306. / 547,661.				
	c	Gain or (loss)	121,657. / 11,148.				
	d	Net gain or (loss)		132,805.			132,805.
	8a	Gross income from fundraising events (not including $ 15,457. of contributions reported on line 1c). See Part IV, line 18	a 281,765.				
	b	Less: direct expenses	b 69,834.				
	c	Net income or (loss) from fundraising events		211,931.			211,931.
	9a	Gross income from gaming activities. See Part IV, line 19	a				
	b	Less: direct expenses	b				
	c	Net income or (loss) from gaming activities		0.			
	10a	Gross sales of inventory, less returns and allowances	a				
	b	Less: cost of goods sold	b				
	c	Net income or (loss) from sales of inventory		0.			
		Miscellaneous Revenue	**Business Code**				
	11a	PROFESSIONAL REVENUE (PART B)	812900	18,469,244.	18,469,244.		
	b	SEND IN LAB REVENUE	621500	12,214,529.		12,214,529.	
	c	CONTRACT REVENUE	900099	1,791,360.	1,791,360.		
	d	All other revenue	900099	215,766.	215,766.		
	e	**Total.** Add lines 11a-11d			32,690,899.		
	12	**Total Revenue.** See instructions		407,642,458.	370,322,259.	12,214,529.	1,092,767.

RIDOH 2207

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	650,000.	650,000.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0.			
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	523,314.	523,314.		
4 Benefits paid to or for members	0.			
5 Compensation of current officers, directors, trustees, and key employees	8,513,148.	3,380,843.	4,796,718.	335,587.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.			
7 Other salaries and wages	181,624,846.	162,971,968.	18,498,072.	154,806.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	9,321,844.	8,389,660.	932,184.	
9 Other employee benefits	39,100,277.	35,190,249.	3,910,028.	
10 Payroll taxes	13,774,032.	12,396,629.	1,377,403.	
11 Fees for services (non-employees):				
a Management	0.			
b Legal	649,771.		649,771.	
c Accounting	32,755.		32,755.	
d Lobbying	81,507.		81,507.	
e Professional fundraising services. See Part IV, line 17	0.			
f Investment management fees	0.			
g Other	16,214,944.	13,944,852.	2,270,092.	
12 Advertising and promotion	366,633.	315,304.	51,329.	
13 Office expenses	30,697,750.	26,359,083.	4,297,685.	40,982.
14 Information technology	11,293,586.	9,712,484.	1,581,102.	
15 Royalties	0.			
16 Occupancy	9,340,429.	8,032,769.	1,307,660.	
17 Travel	0.			
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0.			
19 Conferences, conventions, and meetings	779,588.	666,058.	109,142.	4,388.
20 Interest	205,603.	176,819.	28,784.	
21 Payments to affiliates	0.			
22 Depreciation, depletion, and amortization	15,184,124.	13,058,347.	2,125,777.	
23 Insurance	12,422,838.	10,683,641.	1,739,197.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a RESEARCH	16,279,824.	16,279,824.		
b STATE LICENSURE FEE	15,824,541.	15,824,541.		
c PROVISION FOR BAD DEBT	8,104,361.	8,104,361.		
d HEALTHCARE SERVICES	4,258,363.	4,258,363.		
e ALL OTHER EXPENSES	4,371,306.	3,721,281.	458,765.	191,260.
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	399,615,384.	354,640,390.	44,247,971.	727,023.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2208

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	37,604,444.	2	39,303,617.
	3	Pledges and grants receivable, net	4,069,519.	3	2,032,438.
	4	Accounts receivable, net	40,441,068.	4	40,115,463.
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	148,919.	7	138,110.
	8	Inventories for sale or use	477,060.	8	403,170.
	9	Prepaid expenses and deferred charges	1,781,431.	9	2,110,279.
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a: 328,636,693.			
	b	Less: accumulated depreciation — 10b: 172,147,186.	155,994,365.	10c	156,489,507.
	11	Investments - publicly traded securities	58,936,109.	11	59,409,044.
	12	Investments - other securities. See Part IV, line 11	1,247,454.	12	1,267,329.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	14,267,598.	15	14,636,819.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	314,967,967.	16	315,905,776.
Liabilities	17	Accounts payable and accrued expenses	40,684,352.	17	42,452,311.
	18	Grants payable		18	
	19	Deferred revenue	2,650,000.	19	0.
	20	Tax-exempt bond liabilities		20	
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	5,025,756.	23	4,788,187.
	24	Unsecured notes and loans payable to unrelated third parties		24	
	25	Other liabilities. Complete Part X of Schedule D	115,348,907.	25	112,659,768.
	26	**Total liabilities.** Add lines 17 through 25	163,709,015.	26	159,900,266.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	119,532,267.	27	125,746,286.
	28	Temporarily restricted net assets	27,736,449.	28	26,207,031.
	29	Permanently restricted net assets	3,990,236.	29	4,052,193.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	151,258,952.	33	156,005,510.
	34	Total liabilities and net assets/fund balances	314,967,967.	34	315,905,776.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b	X	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	X	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	3b	X	

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	**Employer identification number**
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III - Functionally integrated **d** ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33 1/3 % support test - 2009.** If the organization did not check the box on line 13, and line 14 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3 % support test - 2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3 % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2009.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19a **33 1/3 % support tests - 2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3 % support tests - 2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2213

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. See instructions

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.

OMB No. 1545-0047

2009

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

General Rule

[ ] For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h or (ii) Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, aggregate contributions of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990, or check the box on line H of its Form 990-EZ, or on line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I Contributors (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1	NAT'L INSTITUTE OF HEALTH - IDEAL II 6701 DEMOCRACY BOULEVARD BETHESDA, MD 20892	$ 1,574,463.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2	NAT'L INSTITUTE OF HEALTH - COBRE II 6701 DEMOCRACY BOULEVARD BETHESDA, MD 20892	$ 1,850,820.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3	NAT'L INSTITUTE OF HEALTH - MLS II GR 6701 DEMOCRACY BOULEVARD BETHESDA, MD 20892	$ 1,287,271.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4	NAT'L INSTITUTE OF HEALTH - MFMU NETWORK 6701 DEMOCRACY BOULEVARD BETHESDA, MD 20892	$ 618,834.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5	NAT'L INST OF HEALTH - FIRST - SALISBURY 6701 DEMOCRACY BOULEVARD BETHESDA, NA 20892	$ 593,294.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6	SEQUENOM, INC. 3595 JOHN HOPKINS COURT SAN DIEGO, CA 92121	$ 1,223,100.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 2216

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.**

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions**

OMB No. 1545-0047

2009

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If these is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period

Calendar year (or fiscal year beginning in)	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

JSA
9E1265 1 000

RIDOH 2218

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		X	
i	Other activities? If "Yes," describe in Part IV	X		81,507.
j	Total. Add lines 1c through 1i			81,507.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 2219

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, 1I

THE HOSPITAL PAID $40,719 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) FOR MEMBERSHIP DUES, OF WHICH 24.42% OR $9,944 WAS ALLOCATED TO LOBBYING.

THE AHA PROVIDES BOTH ADVOCACY AND REPRESENTATION FOR ITS MEMBERS. AHA'S ADVOCACY IS GENERALLY ABOUT HOSPITALS AS THE CORNERSTONE OF THE COMMUNITY, PROTECTING THE CARE SAFETY NET AND IMPROVING CARE, AFFORDABILITY AND COVERAGE. THE AHA'S 2010 ADVOCACY CAN BE VIEWED AT THEIR WEBSITE WWW.AHA.ORG.

THE HOSPITAL PAID $60,000 TO MAYFORTH GROUP, LLC FOR PROFESSIONAL BUSINESS, LOBBYING AND CONSULTING SERVICES.

THE HOSPITAL PAID $11,563 TO SAFETY NET HOSPITAL PHARMACEUTICAL ACCESS FOR 2010 DUES ASSESSMENT.

RIDOH 2220

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, acces sion, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solici t or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custo dian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? . . . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XI V.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	7,156,790.	6,785,603.			
b Contributions	61,410.	91,305.			
c Net investment earnings, gains, and losses	702,455.	306,023.			
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	36,809.	26,141.			
g End of year balance	7,883,846.	7,156,790.			

2 Provide the estimated percentage of the y ear end balance held as:

a Board designated or quasi-endowment ▶ 0.0000 %
b Permanent endowment ▶ 100.0000 %
c Term endowment ▶ 0.0000 %

3a Are there endowment funds not in the pos session of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations 3a(i)		X
(ii) related organizations 3a(ii)		X
b If "Yes" to 3a(ii), are the related organizati ons listed as required on Schedule R? 3b		

4 Describe in Part XIV the intended uses of t he organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		3,254,245.		3,254,245.
b Buildings		185,420,448.	76,060,577.	109,359,871.
c Leasehold improvements		7,023,116.	3,398,447.	3,624,669.
d Equipment		130,550,183.	92,688,162.	37,862,021.
e Other		2,388,701.		2,388,701.
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				156,489,507.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATES	52,518,501.
ESTMATED 3RD PARTY PAYOR SETTLEMENT	25,387,063.
PENSION PAYABLE	12,501,472.
DEFERRED COMPENSATION	1,889,422.
CAPITAL LEASE OBLIGATIONS	911,842.
RESERVE FOR LOSSES	17,451,468.
OTHER LIABILITIES	2,000,000.
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	112,659,768.

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 2223

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Other losses	2c			
d	Other (Describe in Part XIV.)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV.)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5

RIDOH 2224

Part XIV Supplemental Information *(continued)*

ENDOWMENT USE

SCHEDULE D, PART V

THE HOSPITAL'S ENDOWMENT CONSISTS OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THESE PURPOSES INCLUDE HEALTHCARE SERVICES, RESEARCH, INDIGENT CARE, AND EDUCATION. THE HOSPITAL'S ENDOWMENT CONSISTS SOLELY OF DONOR-RESTRICTED ENDOWMENT FUNDS. THE HOSPITAL CLASSIFIES AS PERMANENTLY RESTRICTED NET ASSETS (A) THE ORIGINAL VALUE OF GIFTS DONATED TO THE PERMANENT ENDOWMENT, (B) THE ORIGINAL VALUE OF SUBSEQUENT GIFTS TO THE PERMANENT ENDOWMENT, (C) ACCUMULATIONS TO THE PERMANENT ENDOWMENT MADE IN ACCORDANCE WITH THE DIRECTION OF THE APPLICABLE DONOR GIFT INSTRUMENT AT THE TIME THE ACCUMULATION IS ADDED TO THE FUND. THE REMAINING PORTION OF THE DONOR-RESTRICTED ENDOWMENT FUND THAT IS NOT CLASSIFIED IN PERMANENTLY RESTRICTED NET ASSETS IS CLASSIFIED AS TEMPORARILY RESTRICTED NET ASSETS UNTIL THOSE AMOUNTS ARE APPROPRIATED FOR EXPENDITURE.

FIN 48/ASC 740

SCHEDULE D, PART X, LINE 2

CARE NEW ENGLAND HEALTH SYSTEM'S (CNE'S) FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48/ASC 740. CNE COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 20, 2010 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO CNE'S FINANCIAL STATEMENTS.

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b line 15, or line 16.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
EAST ASIA AND THE PACIFIC	1	7	GRANTMAKING		82,671.
SUB-SAHARAN AFRICA	1	4	GRANTMAKING		11,523.
SOUTH AMERICA	2	4	GRANTMAKING		44,800.
NORTH AMERICA	3	6	GRANTMAKING		156,720.
EUROPE/ICELAND/GREENLAND	5	14	GRANTMAKING		201,000.
MIDDLE EAST AND NORTH AFRICA	1	2	GRANTMAKING		26,600.
CENTRAL AMERICA/CARIBBEAN	0	0	PROGRAM SERVICES	SELF INSURANCE	11,767,680.
Totals . . . . . ▶	13	37			12,290,994.

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. **Schedule F (Form 990) 2009**

JSA
9E1274 2 000

RIDOH 2226

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐
Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
		EAST ASIA/PACIFIC	SUBCONTRACT	82,671.				
		SUB-SAHARAN AFRICA	SUBCONTRACT	11,523				
		SOUTH AMERICA	SUBCONTRACT	33,600.				
		SOUTH AMERICA	SUBCONTRACT	11,200.				
		NORTH AMERICA	SUBCONTRACT	120,960.				
		NORTH AMERICA	SUBCONTRACT	18,460.				
		NORTH AMERICA	SUBCONTRACT	17,300.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	31,920.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	30,240.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	50,080.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	70,280.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	8,400.				
		EUROPE/ICELAND/GREENLAND	SUBCONTRACT	7,000.				
		MIDDLE EAST/NORTH AFRICA	SUBCONTRACT	26,600.				

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶ 0

3 Enter total number of other organizations or entities . . . . . ▶ 14

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

Part IV **Supplemental Information**
Complete this part to provide the information required in Part I, line 2, and any additional information.

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

SCHEDULE F, PART IV

PART I, LINE 2 - FOR INTERNATIONAL SUBCONTRACTS: (1) ANNUAL REQUESTS ARE MADE FOR AUDIT CERTIFICATION; (2) ANNUAL REQUESTS ARE MADE FOR MOST UP-TO-DATE POLICIES AND PROCEDURES MANUAL; (3) INVOICES ARE REVIEWED AND APPROVED BY PRINCIPAL INVESTIGATOR'S OFFICE AS WELL AS BY THE GRANT MANAGEMENT OFFICE.

PART I, LINE 3 - INVOICES ARE REVIEWED/APPROVED BY BOTH PRINCIPAL IINVESTIGATOR'S OFFICE AS WELL AS BY GRANT MANAGEMENT PRIOR TO PROCESSING PAYMENT. EXPENSES ARE COMPARED TO APPROVED BUDGET. EXPENSES ARE RECONCILED TO BACKUP DOCUMENTATION.

PART III, COLUMN C - NOT APPLICABLE.

RIDOH 2229

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than $15,000 on Form 990-EZ, line 6a.
▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047
2009
Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Internet and email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? ☐ **Yes** ☐ **No**

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

RIDOH 2230

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 BIKE RIDE (event type)	(b) Event #2 SWIM AMERICA (event type)	(c) Other Events 0 (total number)	(d) Total events (add col. (a) through col. (c))
Revenue	1 Gross receipts	43,291.	253,931.		297,222.
	2 Less: Charitable contributions		15,457.		15,457.
	3 Gross income (line 1 minus line 2)	43,291.	238,474.		281,765.
Direct Expenses	4 Cash prizes				
	5 Noncash prizes				
	6 Rent/facility costs	283.	27,128.		27,411.
	7 Food and beverages				
	8 Entertainment				
	9 Other direct expenses	670.	41,753.		42,423.
	10 Direct expense summary. Add lines 4 through 9 in column (d) ▶				(69,834.)
	11 Net income summary. Combine line 3, column (d), and line 10 ▶				211,931.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Noncash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	☐ Yes ____% ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine line 1, column d, and line 7 ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities: _____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," explain: _____			
10 a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," explain: _____			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

RIDOH 2231

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Enter the name and address of the person who prepares the organization's gaming/special events books and records:			
	Name ▶			
	Address ▶			
15 a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶$ _____ and the amount of gaming revenue retained by the third party ▶$ _____.			
c	If "Yes," enter name and address of the third party:			
	Name ▶			
	Address ▶			
16	Gaming manager information:			
	Name ▶			
	Gaming manager compensation ▶$ _____			
	Description of services provided ▶			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

RIDOH 2232

SCHEDULE H
(Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Charity Care and Certain Other Community Benefits at Cost

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	X	
b	If "Yes," is it a written policy?	X	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals.		
	[X] Applied uniformly to all hospitals [ ] Applied uniformly to most hospitals [ ] Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: [ ] 100% [ ] 150% [X] 200% [ ] Other _____ %	X	
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: [X] 200% [ ] 250% [ ] 300% [ ] 350% [ ] 400% [ ] Other _____%	X	
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	X	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	X	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?		X
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Does the organization prepare an annual community benefit report?		X
b	If "Yes," does the organization make it available to the public?		
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			6,510,937.	3,132,618.	3,378,319.	.86
b Unreimbursed Medicaid (from Worksheet 3, column a)			104,236,592.	99,816,856.	4,419,736.	1.13
c Unreimbursed costs - other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs			110,747,529.	102,949,474.	7,798,055.	1.99
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			876,782.	0.	876,782.	.22
f Health professions education (from Worksheet 5)			18,926,969.	121,790.	18,805,179.	4.81
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			15,419,494.	14,557,450.	862,044.	.22
i Cash and in-kind contributions to community groups (from Worksheet 8)			11,819.	0.	11,819.	
j **Total.** Other Benefits			35,235,064.	14,679,240.	20,555,824.	5.25
k **Total.** Add lines 7d and 7j			145,982,593.	117,628,714.	28,353,879.	7.24

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	X	
2	Enter the amount of the organization's bad debt expense (at cost)	2 3,173,195.		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	9,523,772.
6	Enter Medicare allowable costs of care relating to payments on line 5	6	13,659,950.
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7	-4,136,178.
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☐ Cost to charge ratio ☒ Other		

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	X	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b	X	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 2234

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 DUDLEY STREET PROVIDENCE RI 02905	X	X		X					
WOMEN & INFANTS HOSPITAL 200 CHESTNUT STREET PROVIDENCE RI 02905						X			
WOMEN & INFANTS HOSPITAL 200 TOLL GATE RD, SUITE 101 WARWICK RI 02886									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 134 THURBERS AVENUE PROVIDENCE RI 02905		X							HOSPITAL DEPARTMENTS (AUDIOLOGY, PROJECT LINK, ETC.)
WOMEN & INFANTS HOSPITAL ONE RANDALL SQUARE PROVIDENCE RI 02904									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 247 ROOSEVELT AVENUE PAWTUCKET RI 02860									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 38 AMARAL STREET EAST PROVIDENCE RI 02915									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2213 MENDON ROAD WOONSOCKET RI 02895									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 407 EAST AVENUE PAWTUCKET RI 02860									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 18 IMPERIAL PLACE, SUITE 2G PROVIDENCE RI 02903									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 11 WELLS STREET WESTERLY RI 02891									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 1 BLACKSTONE PLACE PROVIDENCE RI 02903									MEDICAL
WOMEN & INFANTS HOSPITAL 695 EDDY STREET PROVIDENCE RI 02903									MEDICAL UROGYNECOLOGY AND LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 725 RESERVOIR AVENUE CRANSTON RI 02920									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 215 TOLL GATE ROAD WARWICK RI 02886									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2 DUDLEY STREET PROVIDENCE RI 02905									MEDICAL OFFICE BUILDING

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
WOMEN & INFANTS HOSPITAL 49 SOUTH COUNTY COMMONS WAY WAKEFIELD RI 02879									MEDICAL OFFICE BUILDING AND HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 367 NEW BOSTON ROAD FALL RIVER MA 02724									MEDICAL/PHYSICIAN OFFICES
WOMEN & INFANTS HOSPITAL 235 PLAIN STREET PROVIDENCE RI 02905									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2358 SOUTH COUNTY TRAIL # 2 EAST GREENWICH RI 02818									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 50 HOLDEN STREET PROVIDENCE RI 02908						X			HOSPITAL DEPARTMENT BROWN CENTER-CHILDREN AT RISK
WOMEN & INFANTS HOSPITAL 750 WASHINGTON STREET # 36 BOSTON MA 02111		X							IVF TUFT SUITE
WOMEN & INFANTS HOSPITAL 79 PLAIN STREET PROVIDENCE RI 02903									MEDICAL
WOMEN & INFANTS HOSPITAL 17 COCASSET STREET FOXBORO MA 02035									PHYSICIAN PRACTICE
WOMEN & INFANTS HOSPITAL 900 WARREN AVENUE EAST PROVIDENCE RI 02914									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 107 FAIRHAVEN ROAD MATTAPOISETT MA 02739									PHYSICIAN PRACTICE
WOMEN & INFANTS HOSPITAL 1407 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 1637 MINERAL SPRING AVENUE NORTH PROVIDENCE RI 02904									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 90 PLAIN STREET PROVIDENCE RI 02903		X							MEDICAL PRACTICES
WOMEN & INFANTS HOSPITAL 45 MAIN STREET WAREHAM MA 02740									PHYSICIAN PRACTICE
WOMEN & INFANTS HOSPITAL 333 VALLEY ROAD MIDDLETOWN RI 02842									ALTERNATIVE CARE OFFICE
WOMEN & INFANTS HOSPITAL 101 PLAIN STREET PROVIDENCE RI 02903									MEDICAL OFFICE

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
WOMEN & INFANTS HOSPITAL 100 DUDLEY STREET PROVIDENCE RI 02905		X							PHYSICIAN'S OFFICE
WOMEN & INFANTS HOSPITAL 1050 MAIN ST UNIT A & B EAST GREENWICH RI 02818									MEDICAL OFFICE BUILDING AND HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 2168 DIAMOND HILL ROAD WOONSOCKET RI 02895									MEDICAL OFFICE BUILDING AND HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 2220 GAR HIGHWAY SWANSEA MA 02777									MEDICAL OFFICE BUILDING
WOMEN & INFANTS HOSPITAL 6 WHIPPLE STREET NORTH ATTLEBORO MA 02760									MEDICAL OFFICE BUILDING AND HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 70 ELM STREET PROVIDENCE RI 02905									HOSPITAL LABORATORY

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 3C:

IF APPLICABLE, DESCRIBE THE INCOME-BASED CRITERIA FOR DETERMINING ELIGIBILITY FOR FREE OR DISCOUNTED CARE UNDER THE ORGANIZATION'S FINANCIAL ASSISTANCE POLICY.

N/A - WOMEN & INFANTS HOSPITAL OF RHODE ISLAND USES THE FPG TO DETERMINE ELIGIBILITY FOR FREE CARE.

PART I, LINE 6A:

NOT APPLICABLE - WOMEN & INFANTS HOSPITAL OF RHODE ISLAND DOES NOT PREPARE AN ANNUAL COMMUNITY BENEFIT REPORT.

PART I, LINE 7G:

IF APPLICABLE, DESCRIBE WHETHER THE ORGANIZATION INCLUDED AS SUBSIDIZED HEALTH SERVICES ANY COSTS ATTRIBUTABLE TO A PHYSICIAN CLINIC, AND REPORT SUCH COSTS THE ORGANIZATION INCLUDED.

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND INCLUDED SHORTFALLS FROM DIRECT PROGRAMS COSTS AND ALLOCATED OVERHEAD, LESS ANY REIMBURSEMENT FOR ITS PSYCHIATRIC AND HOSPITALISTS SERVICES.

RIDOH 2238

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART I, LINE 7, COLUMN F:

IF APPLICABLE, ENTER THE BAD DEBT EXPENSE INCLUDED ON FORM 990, IX, LINE 25, COLUMN (A), BUT SUBTRACTED FOR PURPOSES OF CALCULATING THE PERCENTAGE IN THIS COLUMN.

$8,104,361.

PART I, LINE 7:

PROVIDE AN EXPLANATION OF THE COSTING METHODOLOGY USED TO CALCULATE THE AMOUNTS REPORTED IN THE TABLE.

A COST-TO-CHARGE RATIO WAS USED, THE SOURCE BEING THE MEDICARE COST REPORT FOR FY 2010, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, BUT NOT APPROPRIATE FOR PART 1, LINE 7, I.E., REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A-8-2, REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE), ALLOWING THE FULL PENSION EXPENSE, ETC. WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COST-TO-CHARGE RATIO USED IN PART 1, LINE 7.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PART III, LINE 4:

LINE 4 - (A) PROVIDE THE RATIONALE AND THE COSTING METHODOLOGY USED TO DETERMINE THE AMOUNT REPORTED IN PART III, LINES 2 AND 3.

SAME AS ANSWER ABOVE FOR PART 1, LINE 7 ABOVE.

LINE 4 - (B) DESCRIBE HOW THE ORGANIZATION ACCOUNTS FOR DISCOUNTS AND PAYMENTS ON PATIENT ACCOUNTS IN DETERMINING BAD DEBT EXPENSES.

WHILE A PATIENT'S INDIVIDUAL FINANCIAL CIRCUMSTANCES MAY RESULT IN SOME OR ALL OF THE SERVICES RENDERED BEING CHARGED OFF AS FREE SERVICE, ANY REMAINING BALANCE WHICH THE HOSPITAL DETERMINES THE PATIENT IS CAPABLE OF PAYING IS DUE IN FULL.

A COMMUNITY BENEFIT DISCOUNT IS OFFERED FOR UNINSURED PATIENTS, AS WELL AS PROMPT PAY OR ADVANCE PAY DISCOUNTS.

ALL PAYMENT RECEIVED ARE APPLIED TO PATIENT'S ACCOUNTS.

THE ACCOUNT BECOMES BAD DEBT WHEN ALL EFFORTS TO COLLECT HAVE BEEN EXHAUSTED. THE HOSPITAL USES ANY AND ALL ACTIONS THAT ARE AVAILABLE TO THEM UNDER STATE AND FEDERAL REGULATIONS TO COLLECT THE AMOUNTS OWED BY THE PATIENTS. THIS MIGHT INCLUDE, BUT NOT BE LIMITED TO, THE USE OF OUTSIDE COLLECTION AGENCIES AND COLLECTION ATTORNEYS.

THE TOTAL BAD DEBT EXPENSE FOR FY 2010 WAS DETERMINED PER GAAP

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

ALLOWANCE METHOD WHEREIN AN ESTIMATE IS MADE FOR BAD DEBT EXPENSE BY WAY OF A PROVISION FOR UNCOLLECTIBLE ACCOUNTS RECEIVABLES (ALLOWANCE FOR DOUBTFUL ACCOUNTS) BASED ON HISTORIC COLLECTION EXPERIENCE.

LINE 4 - (C) DESCRIBE THE METHOD THE ORGANIZATION USES TO DETERMINE THE AMOUNT THAT REASONABLY COULD BE ATTRIBUTABLE TO PATIENTS WHO LIKELY WOULD QUALIFY FOR FINANCIAL ASSISTANCE UNDER THE HOSPITAL'S FINANCIAL ASSISTANCE POLICY.

SUFFICIENT INFORMATION IS NOT AVAILABLE TO MAKE THIS DETERMINATION.

LINE 4 - (D) DESCRIBE THE RATIONALE, IF ANY, FOR INCLUDING ANY PORTION OF BAD DEBT AS COMMUNITY BENEFIT.

N/A

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED) FOR YEARS ENDED SEPTEMBER 30, 2009 AND 2008.

IN ADDITION TO THE COST OF CHARITY CARE AND OTHER COMMUNITY SERVICE PROGRAMS, THE HOSPITAL PROVIDED $8,104,361 AND $6,890,996 FOR UNCOLLECTIBLE PATIENT ACCOUNTS DURING THE YEARS ENDED SEPTEMBER 30, 2009 AND 2008, RESPECTIVELY.

PART III, LINE 8:

RIDOH 2242

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

LINE 8 -(A) DESCRIBE THE COSTING METHODOLOGY USED TO DETERMINE THE MEDICARE ALLOWABLE COSTS REPORTED IN THE ORGANIZATIONS' MEDICARE COST REPORT, AS REFLECTED IN THE AMOUNT REPORTED IN PART III, LINE 6. THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED FY 2010 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED COSTS, WHICH ARE INCLUDED IN PART 1, LINE 7(F). WORKSHEET D-1, LINE 49, DOES NOT INCLUDE DIRECT GME COSTS. THE OUTPATIENT ALLOWABLE COSTS COME FROM WORKSHEET E, PART B.

PART III, LINE 9B:

IF THE ORGANIZATION HAS A WRITTEN BAD DEBT COLLECTION POLICY AND ANSWERED "YES" TO PART III, LINE 9B, DESCRIBE THE COLLECTION PRACTICES SET FORTH IN THE POLICY THAT APPLY TO PATIENTS WHO IT KNOWS QUALIFY FOR FINANCIAL ASSISTANCE, WHETHER OR NOT SUCH PRACTICES APPLY SPECIFICALLY TO SUCH PATIENTS OR MORE BROADLY TO ALSO COVER OTHER TYPES OF PATIENTS.

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE. OUR

RIDOH 2243

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR EXTREME HARDSHIPS.

PART V:

NOT APPLICABLE

NEEDS ASSESSMENT:

PART VI, LINE 2: WOMEN & INFANTS HOSPITAL, A TEACHING HOSPITAL OF THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, IS COMMITTED TO IMPROVING THE HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING OUR ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE:

PART VI, LINE 3: PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE. DESCRIBE HOW THE ORGANIZATION INFORMS AND EDUCATES PATIENTS AND PERSONS WHO MAY BE BILLED FOR PATIENT CARE ABOUT THEIR ELIGIBILITY FOR ASSISTANCE UNDER FEDERAL, STATE, OR LOCAL GOVERNMENT PROGRAMS OR UNDER THE ORGANIZATION'S CHARITY CARE POLICY.

RIDOH 2244

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. IT IS ALSO PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON OUR WEB SITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY OUR PATIENT POPULATION 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). UNINSURED AND UNDERINSURED PATIENTS ARE COUNSELED AT THE POINT OF SERVICE OR DURING THE BILLING PROCESS ABOUT ANY FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY BE ELIGIBLE FOR, AND ASSISTANCE WITH APPLICATIONS IS ALSO PROVIDED.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

COMMUNITY INFORMATION:

PART VI, LINE 4: WOMEN & INFANTS HOSPITAL OF RHODE ISLAND SERVES THE HEALTH CARE NEEDS OF WOMEN AND NEWBORNS IN RHODE ISLAND, SOUTHEASTERN MASSACHUSETTS AND EASTERN CONNECTICUT. TO BEST SERVE THE NEEDS OF THESE INDIVIDUALS, THE HOSPITAL OPERATES MEDICAL OFFICE BUILDINGS IN EAST GREENWICH, SOUTH COUNTY AND WOONSOCKET, RI, AND NORTH ATTLEBORO AND SWANSEA, MA. IN ADDITION, HOSPITAL SERVICE LINES AND PHYSICIANS TREAT PATIENTS IN NORWICH AND NEW LONDON, CT, AND ATTLEBORO, FALL RIVER, FOXBORO, NEW BEDFORD, MA AND OTHER SOUTHEASTERN MA COMMUNITIES.

COMMUNITY BUILDING ACTIVITIES:

NOT APPLICABLE

OTHER INFORMATION:

PART VI, LINE 6: WOMEN & INFANTS HOSPITAL PROVIDES COMMUNITY BENEFIT PROGRAMS AND SERVICES THROUGH THE FOLLOWING PROGRAMS THAT ADDRESS COMMUNITY INITIATIVES SET BY THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY RHODE ISLANDERS 2010 LEADING HEALTH INDICATORS:

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

WOMEN & INFANTS HOSPITAL PROVIDES COMMUNITY BENEFIT PROGRAMS AND SERVICES THROUGH THE FOLLOWING PROGRAMS THAT ADDRESS COMMUNITY INITIATIVES SET BY THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY RHODE ISLANDERS 2010 LEADING HEALTH INDICATORS:

OBJECTIVE 4: SUBSTANCE ABUSE

OBJECTIVE 5: RESPONSIBLE SEXUAL BEHAVIOR

OBJECTIVE 6: MENTAL HEALTH

OBJECTIVE 7: INJURY AND VIOLENCE

OBJECTIVE 9: IMMUNIZATION

OBJECTIVE 10: ACCESS TO HEALTH CARE

UNCOMPENSATED CARE

WOMEN & INFANTS PROVIDES UNCOMPENSATED CARE TO WOMEN AND NEWBORNS IN THE COMMUNITY IN NEED OF HEALTH CARE.

COMMUNITY PARTNERSHIPS

WOMEN & INFANTS IS ENGAGED WITH THE FOLLOWING ORGANIZATIONS IN A

RIDOH 2247

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

VARIETY OF WAYS INCLUDING SUPPORTING COMMUNITY EDUCATION AND AWARENESS PROGRAMS, PROVIDING SPACE FOR MEETINGS OR CONFERENCES, AND PARTICIPATING ON VARIOUS BOARDS AND COMMITTEES WORKING TO IMPROVE THE HEALTH OF THE COMMUNITY:

ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY

AMERICAN CANCER SOCIETY

AMERICAN HEART ASSOCIATION

CHILDREN'S FRIEND AND SERVICE

CHISPA

DAY ONE

E.W. FLYNN MODEL ELEMENTARY SCHOOL

HEALTHY MOTHERS, HEALTHY BABIES

KIDSCOUNT

MARCH OF DIMES

MEETING STREET SCHOOL

NATIONAL ASSOCIATION OF SOCIAL WORKERS

OCEAN STATE ADULT IMMUNIZATION COALITION

PARTNERSHIP TO REDUCE CANCER

RIDOH 2248

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PROGRESSO LATINO

PROVIDENCE RONALD MCDONALD HOUSE

RHODE ISLAND ASSOCIATION FOR CARDIAC CHILDREN

RHODE ISLAND DEPARTMENT OF HEALTH

RHODE ISLAND DEPARTMENT OF HEALTH OFFICE OF MINORITY HEALTH

RHODE ISLAND DEPARTMENT OF CHILDREN, YOUTH AND FAMILIES (DCYF)

RHODE ISLAND BLOOD CENTER

RHODE ISLAND OSTEOPOROSIS COALITION

RHODE ISLAND PARENTING INFORMATION NETWORK

RHODE ISLAND NETWORK OF CARE FOR BEHAVIORAL HEALTH

RHODE ISLAND COUNCIL ON ALCOHOLISM AND OTHER DRUG ADDICTION

RHODE ISLAND STATE NURSES ASSOCIATION

WOMEN'S HEALTH COUNCIL

UNITED WAY

URBAN LEAGUE

RESEARCH AND ACADEMIC EDUCATION

AS A MAJOR TEACHING AND RESEARCH FACILITY AFFILIATED WITH THE WARREN

ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY, WOMEN & INFANTS CONDUCTS

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

CUTTING-EDGE RESEARCH ON A WIDE VARIETY OF HEALTH CARE CONCERNS AFFECTING WOMEN AND NEWBORNS, INCLUDING PRE-TERM DELIVERY, GYNECOLOGIC CANCERS, INFERTILITY, THE DEVELOPMENT OF LOW BIRTH WEIGHT INFANTS, POSTPARTUM DEPRESSION, AND UTERINE PROLAPSE. THE GOALS OF THE RESEARCH ARE TO DISCOVER THE UNDERLYING CAUSES OF DISEASES AND CONDITIONS THAT AFFECT THESE POPULATIONS TO IMPROVE AND PROLONG THEIR LIVES.

AS THE FLAGSHIP HOSPITAL FOR BROWN IN OBSTETRICS, GYNECOLOGY AND NEONATOLOGY, WOMEN & INFANTS PROVIDES EDUCATION AND TRAINING FOR MEDICAL STUDENTS AND RESIDENTS. THE HOSPITAL WELCOMES NEW FELLOWS EACH YEAR WHO SEEK HIGH-LEVEL TRAINING IN SPECIFIC AREAS OF INTEREST. IN ADDITION, THE HOSPITAL PROVIDES CLINICAL EDUCATION FOR NURSING, PHARMACY AND OTHER STUDENTS FROM SCHOOLS FROM ACROSS THE COUNTRY.

PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS

WOMEN & INFANTS' LEADERSHIP BELIEVES COMMUNITY EDUCATION AND INFORMATION IS CRITICAL TO IMPROVING TREATMENT OUTCOMES THROUGH EARLY RECOGNITION OF A POSSIBLE PROBLEM. EACH YEAR, THE HOSPITAL SPONSORS

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

PUBLIC AND PROFESSIONAL EDUCATION PROGRAMS ON SUCH TOPICS AS ONCOLOGY RESEARCH, NEWBORN AUDIOLOGY, BREAST CANCER, URINARY INCONTINENCE, AND PRETERM BIRTH. THE HOSPITAL ALSO PARTICIPATES IN ONGOING HEALTH EDUCATION ACTIVITIES OFFERED BY ITS CARE NEW ENGLAND PARTNERS.

PATIENT AND FAMILY RESOURCE CENTER

WOMEN & INFANTS OFFERS ACCESS TO FREE INFORMATION ON A VARIETY OF HEALTH TOPICS RELATED TO WOMEN AND NEWBORNS THROUGH ITS PATIENT AND FAMILY RESOURCE CENTER LOCATED IN THE HOSPITAL'S MAIN LOBBY. STAFF IN THE RESOURCE CENTER IS ABLE TO HELP WITH INTERNET SEARCHES ON A BANK OF COMPUTERS AS WELL. PATIENT EDUCATION CENTERS WITH A VAST AMOUNT OF RESOURCES FOR PATIENTS AND FAMILY MEMBERS ARE ALSO AVAILABLE IN THE HOSPITAL'S FIVE MEDICAL OFFICE BUILDINGS ACROSS SOUTHEASTERN NEW ENGLAND.

SUPPORT GROUPS

THE HOSPITAL PROVIDES A VARIETY OF FREE SUPPORT GROUPS TO MEMBERS OF THE COMMUNITY, INCLUDING THOSE FOR WOMEN WITH VARIOUS FORMS OF GYNECOLOGIC OR BREAST CANCER, WOMEN WHO HAVE TESTED POSITIVE FOR THE

RIDOH 2251

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

BRCA GENES THAT INDICATE A HIGHER RISK OF HAVING BREAST OR OVARIAN CANCER, COUPLES WHO HAVE EXPERIENCED A PREGNANCY LOSS, NEW PARENTS, AND WOMEN WITH CROHN'S DISEASE.

INTERPRETER SERVICES

WOMEN & INFANTS HAS AN EXTENSIVE LIST OF EMPLOYEES WHO SPEAK LANGUAGES OTHER THAN ENGLISH WHO CAN BE CALLED UPON TO PROVIDE FREE INTERPRETING SERVICES FOR PATIENTS AND THEIR FAMILY MEMBERS. THE HOSPITAL DESIGNATES TWO LEVELS OF INTERPRETERS - THOSE WHO CAN PROVIDE BASIC SERVICES AND OTHERS WHO HAVE BEEN TESTED AND APPROVED TO PROVIDE MEDICAL INTERPRETATION. WHEN INTERPRETERS ARE NOT AVAILABLE WITHIN THE HOSPITAL, WOMEN & INFANTS CAN PROVIDE THE SERVICE THROUGH THE AT&T LANGUAGE LINE. SIGN LANGUAGE INTERPRETERS ARE ALSO AVAILABLE. BOTH OF THESE SERVICES ARE ALSO FREE.

AFFILIATED HEALTH CARE SYSTEM ROLES:

PART VI, LINE 7: THE MISSION OF THE CARE NEW ENGLAND HEALTH SYSTEM IS TO CONTINUALLY IMPROVE THE HEALTH AND WELL-BEING OF THE PEOPLE AND COMMUNITIES OF SOUTHEASTERN NEW ENGLAND. COMPRISED OF THREE HOSPITALS

RIDOH 2252

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

- BUTLER, KENT AND WOMEN & INFANTS - AS WELL AS THE VNA OF CARE NEW ENGLAND, THE DISTINCTIVE PROGRAMS, STAFF AND TALENTS OF EACH MEMBER COMBINE TO ENSURE A HIGH-QUALITY CONTINUUM OF CARE FOR THE COMMUNITIES SERVED.

WITH A PRIMARY FOCUS ON PATIENTS AND THEIR FAMILIES, CARE NEW ENGLAND PROVIDES A SOLID, DIVERSE COMBINATION OF PHYSICIAN SPECIALISTS AND GENERALISTS WHO ARE COMMITTED TO THE MISSION OF BUILDING A BETTER SYSTEM OF HEALTH CARE. TO DO THIS, THE SYSTEM AIMS TO ATTAIN THE HIGHEST STANDARDS OF QUALITY; PROVIDE ACCESS TO ESSENTIAL HEALTH SERVICES REGARDLESS OF ABILITY TO PAY; DELIVER AN EXCEPTIONAL PATIENT EXPERIENCE; ADVANCE MEDICAL KNOWLEDGE THROUGH RESEARCH AND TEACHING; ADVOCATE FOR THOSE PATIENTS SERVED; ENHANCE WELLNESS AND PREVENTION; AND OPERATE IN A COST-EFFECTIVE AND FINANCIALLY VIABLE MANNER.

MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM INCLUDE:

BUTLER HOSPITAL - RHODE ISLAND'S ONLY PRIVATE, NONPROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN AND SENIORS.

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

KENT HOSPITAL - A GENERAL MEDICINE HOSPITAL PROVIDING A FULL SPECTRUM OF PRIMARY AND SECONDARY ACUTE CARE SERVICES WITH A MEDICAL STAFF REPRESENTING MORE THAN 30 SPECIALTIES.

WOMEN & INFANTS HOSPITAL - THE NATION'S SEVENTH BUSIEST OBSTETRICAL FACILITY, OPERATING THE NATION'S LARGEST SINGLE-FAMILY ROOM NEONATAL INTENSIVE CARE UNIT AND THE AREA'S ONLY TERTIARY LEVEL NEONATAL FACILITY, AND PROVIDING SUCH SPECIALIZED SERVICES AS ONCOLOGY, UROGYNECOLOGY AND INFERTILITY TREATMENT.

VNA OF CARE NEW ENGLAND - A UNIQUE SERVICE PROVIDING A BROAD SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING CARE FOR NEW MOTHERS, THE ELDERLY AND THE TERMINALLY ILL.

RIDOH 2254

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the United States

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.
▶ **Attach to Form 990.**

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection cnteria used to award the grants or assistance? . . . . . [X] Yes [ ] No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ [ ]

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BROWN UNIVERSITY CONTROLLERS OFC BOX J PROVIDENCE, RI 02912	05-0258809	501(C)(3)	650,000.				SHARED PROGRAMS

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶ 0

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2009

JSA
9E1288 2.000
5847AQ F227

10868786

RIDOH 2255

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

FORM 990, SCHEDULE I, PART I, LINE 2

THE HOSPITAL PROVIDES FUNDS TO BROWN UNIVERSITY FOR SHARED PROGRAMS.

SHARED CHAIR PROGRAM SUPPORT WAS $650,000 FOR FISCAL YEAR 2010.

FORM 990, SCHEDULE I, PART I, LINE 2

EXPENSES ARE APPROVED BY THE PRESIDENT/CEO AND REVIEWED BY ACCOUNTING

PRIOR TO PROCESSING PAYMENT.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶**See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☒ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? **2**	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
	☒ Compensation committee		
	☒ Independent compensation consultant		
	☐ Form 990 of other organizations		
	☐ Written employment contract		
	☒ Compensation survey or study		
	☒ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? **4a**		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**	X	
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? **5a**		X
b	Any related organization? **5b**		X
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? **6a**	X	
b	Any related organization? **6b**	X	
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7**		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		X
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**		

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
CONSTANCE A. HOWES, JD, F	(i)	482,357.	194,976.	33,106.	139,642.	6,354.	856,435.	34,976.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DEMOSTHENES ARGYS	(i)	140,616.	120,463.	30,810.	18,031.	6,513.	316,433.	12,465.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DEBRA M. PAUL, CPA, MBA	(i)	282,682.	121,523.	39,825.	79,324.	3,468.	526,822.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
DANIEL MICHAUD	(i)	177,629.	46,579.	16,430.	17,612.	8,481.	266,731.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
KAREN DAVIE	(i)	215,403.	134,536.	7,271.	21,526.	11,617.	390,353.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PAULA GILLETTE	(i)	218,012.	58,748.	21,683.	50,795.	10,134.	359,372.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
PATRICE DIMARIO	(i)	214,657.	115,204.	24,246.	94,883.	10,376.	459,366.	42,148.
	(ii)	0.	0.	0.	0.	0.	0.	0.
ELIAS NEUJAHR	(i)	153,047.	40,317.	1,798.	10,861.	9,937.	215,960.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES WATKINS	(i)	192,556.	0.	1,518.	13,240.	8,264.	215,578.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
WILLIAM LAWRENCE, MD	(i)	424,662.	114,771.	23,281.	0.	12,037.	574,751.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
KAREN ROSENE-MONTELLA, MD	(i)	423,741.	51,255.	6,330.	0.	2,005.	483,331.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
CORNELIUS GRANAI, MD	(i)	544,227.	89,852.	20,865.	0.	8,663.	663,607.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
RAYMOND POWRIE, MD	(i)	312,982.	82,747.	22,953.	58,103.	7,857.	484,642.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JANET SCHIPPER	(i)	192,922.	10,620.	11,281.	0.	15,528.	230,351.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOHN M. SUTHERLAND, III	(i)	388,800.	148,277.	34,279.	118,991.	11,430.	701,777.	26,480.
	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS R. COURAGE	(i)	298,120.	271,125.	41,222.	95,947.	10,691.	717,105.	175,315.
	(ii)	0.	0.	0.	0.	0.	0.	0.

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, LINE 1B

PAYMENTS MADE TO SOCIAL CLUB FOR DUES ARE MADE IN ACCORDANCE WITH EMPLOYMENT CONTRACTS.

SCHEDULE J, PART I, LINE 4B

THE FOLLOWING INDIVIDUALS PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THEIR TOTAL 2009 CONTRIBUTION TO THE NONQUALIFIED PLAN ARE REPORTED BELOW.

THE SERP SPLIT DOLLAR AMOUNTS ARE INCLUDED IN THE INDIVIDUAL'S 2009 COMPENSATION, REPORTED IN THE OTHER REPORTABLE COMPENSATION COLUMN ON SCHEDULE J, PART II AND J-II. THE EXECUTIVE RETIREMENT STIPEND AMOUNTS ARE INCLUDED IN THE INDIVIDUAL'S 2009 COMPENSATION, REPORTED IN THE BONUS AND INCENTIVE COMPENSATION COLUMN.

SERP SPLIT DOLLAR LIFE INSURANCE:

GAIL COSTA - $3,766;

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

THOMAS COURAGE - $6,673;

PATRICE DIMARIO - $2,001;

CONSTANCE HOWES - $4,649;

MAYBELLE KERNAN - $2,516;

JOHN SUTHERLAND - $2,820;

EXECUTIVE RETIREMENT STIPEND:

DEBRA PAUL - $51,140;

KAREN DAVIE - $64,967;

DOMENIC DELMONICO - $78,450;

DEMOSTHENES ARGYS - $64,120.

SCHEDULE J, PART I, LINE 6

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH SHORT AND LONG TERM INCENTIVE PROGRAMS. THE SHORT TERM INCENTIVE PROGRAM PROVIDES AN OPPURTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL, PATIENT SATISFACTION, AND INNOVATION & GROWTH. THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPURTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION, AND STRATEGIC OBJECTIVE.

SCHEDULE J, PART VII

DEFERRED COMPENSATION IS SUBJECT TO FORFEITURE BY THE INDIVIDUAL BASED ON THE PROVISIONS OF THE PLAN.

SCHEDULE J, PART VII AND FORM 990, PART VII

AMOUNTS REPORTED FOR INDIVIDUALS LISTED IN PART VII AND SCHEDULE J, PART II ARE BASED ON CALENDAR YEAR 2009 W-2 FORM DATA.

SCHEDULE J-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information for Schedule J (Form 990), Part II.
▶ See Instructions for Schedule J (Form 990).

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation (i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation	(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
DOMENIC DELMONICO	(i)	243,771.	176,401.	20,722.	75,473.	8,420.	524,787.	19,207.
	(ii)	0.	0.	0.	0.	0.	0.	0.
GAIL COSTA	(i)	234,885.	117,093.	32,183.	98,823.	7,343.	490,327.	43,722.
	(ii)	0.	0.	0.	0.	0.	0.	0.
MAYBELLE KERNAN	(i)	212,271.	195,095.	23,139.	85,163.	9,718.	525,386.	124,378.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOANNA M. CAIN, MD	(i)	489,707.	56,974.	21,901.	30,597.	11,937.	611,116.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JAMES F. PADBURY, MD	(i)	381,333.	267,182.	21,008.	75,128.	9,286.	753,937.	222,322.
	(ii)	0.	0.	0.	0.	0.	0.	0.
JOSEPH RODA	(i)	121,881.	26,013.	6,279.	10,764.	1,810.	166,747.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
THOMAS HUGHES	(i)	146,613.	18,739.	1,519.	11,022.	2,875.	180,768.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
RICHARD MOORE, MD	(i)	374,821.	54,559.	3,162.	0.	8,865.	441,407.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
SANDRA CARSON, MD	(i)	387,667.	24,590.	4,127.	0.	8,431.	424,815.	0.
	(ii)	0.	0.	0.	0.	0.	0.	0.
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the Organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MSC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
KATHERINE F. MCKENZIE VICE CHAIR	5.00	X		X				0.	0.	0.
CONSTANCE A. HOWES, JD, FACHE EX-OFFICIO, PRESIDENT/CEO	60.00			X				710,439.	0.	145,996.
MARK MARCANTANO EXECUTIVE VICE PRESIDENT/COO	60.00			X				50,000.	0.	0.
DEBRA M. PAUL, CPA, MBA SR VP & CFO/ASSIS. TREASURER	60.00			X				444,030.	0.	82,792.
DANIEL MICHAUD VP, HR	60.00			X				240,638.	0.	26,093.
KAREN DAVIE SR VP,PHILANTHROPY &GOVERNANCE	60.00			X				357,210.	0.	33,143.
PAULA GILLETTE SR VP, PATIENT CARE SERVICES	60.00			X				298,443.	0.	60,929.
PATRICE DIMARIO SR VP,PATIENT SUPPORT SERVICES	60.00			X				354,107.	0.	105,259.
ELIAS NEUJAHR VP, PHYSICIAN SERVICES	60.00			X				195,162.	0.	20,798.
JAMES WATKINS VP FACULTY ENTERPRISES	60.00			X				194,074.	0.	21,504.
CORNELIUS GRANAI, MD VICE PRESIDENT	60.00			X				654,944.	0.	8,663.
RAYMOND POWRIE, MD SR VP, QUALITY	60.00			X				418,682.	0.	65,960.
JOHN M. SUTHERLAND, III PRES. - W&I INDEMNITY, LTD	60.00			X				571,356.	0.	130,421.
THOMAS R. COURAGE VICE PRESIDENT/ASST SECRETARY	60.00			X				610,467.	0.	106,638.
GAIL COSTA SR VP, PLANNING - CNE	60.00			X				384,161.	0.	106,166.
MAYBELLE KERNAN VP-MARKETING &PUBLIC RELATIONS	60.00			X				430,505.	0.	94,881.
JOSEPH RODA INTERIM VP, HR 8/31/10-9/30/10	60.00			X				154,173.	0.	12,574.
THOMAS HUGHES VP, PATIENT SUPPORT SERVICES	60.00			X				166,871.	0.	13,897.
WILLIAM LAWRENCE, MD CHIEF OF PATHOLOGY	60.00					X		562,714.	0.	12,037.
KAREN ROSENE-MONTELLA, MD PHYSICIAN	60.00					X		481,326.	0.	2,005.
DOMENIC DELMONICO SR. VP CONTRACTING - CNE	60.00					X		440,894.	0.	83,893.

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

▶ See the Instructions for Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the Organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MSC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
RICHARD MOORE, MD PHYSICIAN	60.00					X		432,542.	0.	8,865.
SANDRA CARSON, MD PHYSICIAN	60.00					X		416,384.	0.	8,431.
DEMOSTHENES ARGYS FORMER EXEC VP/COO	60.00						X	291,889.	0.	24,544.
JANET SCHIPPER FMR OFFICER/CURRENT EMPLOYEE	60.00						X	214,823.	0.	54,489.

RIDOH 2264

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Complete if the organization answered "Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, line 38a or 40b.
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Excess Benefit Transactions (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) Loan to or from the organization? From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) In default? No	(f) Approved by board or committee? Yes	(f) Approved by board or committee? No	(g) Written agreement? Yes	(g) Written agreement? No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount and type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) Sharing of organization's revenues? No
ATTACHMENT 5					

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art-Works of art	X	3	10,400.	OTHER
2	Art-Historical treasures				
3	Art-Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		216,795.	OTHER
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities-Publicly traded				
10	Securities-Closely held stock				
11	Securities-Partnership, LLC, or trust interests				
12	Securities-Miscellaneous				
13	Qualified conservation contribution-Historic structures				
14	Qualified conservation contribution-Other				
15	Real estate-Residential				
16	Real estate-Commercial				
17	Real estate-Other				
18	Collectibles				
19	Food inventory	X		290,000.	COST/SELLING PRICE
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(ATCH 1)		33.	8,300.	
26	Other ▶( )				
27	Other ▶( )				
28	Other ▶( )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29 0

			Yes	No
30 a	During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32 a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II.			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

NONCASH GIFTS

SCHEDULE M, PART I, QUESTION 30A

THE HOSPITAL USES THE SERVICES OF MERRILL LYNCH FOR DONATIONS OF STOCK.

RIDOH 2267

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

ATTACHMENT 1

SCHEDULE M, PART I - OTHER NONCASH CONTRIBUTIONS

DESCRIPTION	(A) CHECK	(B) NUMBER OF CONTRIBUTIONS	(C) REVENUES REPORTED	(D) METHOD OF DETERMINING
GIFT CARDS OR CERTIFICATE	X	33	8,300.	COST/SELLING PRICE
TOTALS		33.	8,300.	

RIDOH 2268

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.
▶ Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

ATTACHMENT 2

SUPPLEMENTAL INFORMATION

FORM 990, PART VI, LINE 3

THE HOSPITAL UTILIZES THE SERVICES OF SODEXHO MARRIOTT FOR THE MANAGEMENT OF FOOD SERVICES AND HOUSEKEEPING.

CORPORATE GOVERNANCE

FORM 990, PART VI, QUESTION 6

CARE NEW ENGLAND HEALTH SYSTEM HAS CORPORATE GOVERNANCE OVER WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND IS THE SOLE CORPORATE MEMBER.

MEMBERS/STOCKHOLDERS WHO MAY ELECT ONE OR MORE MEMBERS OF GOV BODY

FORM 990, PART VI, QUESTION 7A

ARTICLE II, BOARD OF TRUSTEES.

SECTION1. COMPOSITION AND ELECTION OF THE BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EX OFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL INCLUDE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS AND THE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE

RIDOH 2269

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

CORPORATE MEMBERS AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASSTO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

APPROVAL BY MEMBERS, STOCKHOLDERS OR OTHER PERSONS

FORM 990, PART VI, QUESTION 7B

ARTICLE II

RIGHTS OF CORPORATE MEMBER

SECTION 2.01. RESERVED POWERS. NOTWITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OF THE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER

RIDOH 2270

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR PLEDGES B OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000)BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

RIDOH 2271

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 FORM 990, PART VI, QUESTION 11A

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R EXCEPT SCHEDULE J) IS PRESENTED BY THE ASSOCIATE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. THE COMPENSATION COMMITTEE REVIEWS SALARY AND OTHER COMPENSATION OF INDIVIDUALS DISCLOSED IN SCHEDULE J. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE.

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST FORM 990, PART VI, QUESTION 12C

WIHRI HAS ADOPTED CNE'S CONFLICT OF INTEREST POLICY. POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTION OR ARRANGEMENT THAT INVOLVES A CONFLICT REQUIRES A

RIDOH 2272

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A AND 15B

WOMEN & INFANTS CORPORATION FOLLOWS THE WIH COMPENSATION COMMITTEE POLICY AS IT RELATES TO COMPENSATION REVIEW.

THE BOARD OF TRUSTEES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND (WIH) HAS A COMMITTEE OF TRUSTEES KNOWN AS THE WIH COMPENSATION COMMITTEE (THE COMMITTEE). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR WIH EXECUTIVES AND KEY PHYSICIANS IN CONJUNCTION WITH THE WIH PRESIDENT AND CHIEF EXECUTIVE OFFICER. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS EXCEPT WITH RESPECT TO DECISIONS RELATING TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER WHICH ARE MADE IN CONJUNCTION WITH THE CARE NEW ENGLAND CHIEF EXECUTIVE OFFICER.

PURPOSE

THE COMMITTEE'S PURPOSE IS TO ASSIST THE BOARD IN DEVELOPING AND IMPLEMENTING COMPENSATION STRATEGIES, POLICIES AND PLANS THAT WILL ENHANCE THE HOSPITAL'S ABILITY TO ATTRACT AND RETAIN SKILLED EXECUTIVE

RIDOH 2273

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

OFFICERS, PHYSICIANS, OFFICERS AND EMPLOYEES.

DUTIES AND RESPONSIBILITIES

EXECUTIVE AND KEY PHYSICIAN COMPENSATION:

- REVIEW AND APPROVE GOALS AND OBJECTIVES FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (THE "CEO") OF THE HOSPITAL. SUCH REVIEW SHALL BE DONE IN CONJUNCTION WITH THE CEO OF CARE NEW ENGLAND (CNE).
- MAKE A RECOMMENDATION AS TO THE COMPENSATION FOR THE CEO TO THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF CNE (THE "CNE COMPENSATION COMMITTEE") CONSIDERING THE PERFORMANCE BY THE CEO RELATIVE TO GOALS AND OBJECTIVES.
- CONDUCT AN ANNUAL EVALUATION OF THE PERFORMANCE OF THE CEO, WHICH EVALUATION PROCESS SHALL INCLUDE AN OPPORTUNITY FOR INPUT BY INDIVIDUAL TRUSTEES. THE SUBSTANCE OF SUCH EVALUATION SHALL BE REPORTED TO THE BOARD. THE RECOMMENDATION OF THE COMMITTEE WITH RESPECT TO THE COMPENSATION AND BENEFITS OF THE CEO SHALL BE REPORTED TO THE BOARD SITTING IN EXECUTIVE SESSION, INCLUDING BOTH ELECTED AND EX-OFFICIO TRUSTEES, EXCEPT FOR THOSE TRUSTEES WHO ARE EMPLOYEES OF THE HOSPITAL. FOLLOWING PRESENTATION OF THE FOREGOING REPORT TO THE BOARD, FINAL DECISION REGARDING SUCH COMPENSATION AND BENEFITS SHALL BE MADE BY THE CEO OF CNE WHICH FINAL DECISION, IF AT VARIANCE FROM THE RECOMMENDATION OF THE COMMITTEE, SHALL BE MADE AFTER CONSULTATION WITH THE BOARD.
- ASSIST THE BOARD BY PROVIDING OVERSIGHT REGARDING THE REASONABLENESS OF THE TOTAL COMPENSATION AND BENEFITS ARRANGEMENTS FOR SENIOR EXECUTIVES AND KEY PHYSICIANS IN CONJUNCTION WITH THE WIH PRESIDENT AND CHIEF

RIDOH 2274

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

EXECUTIVE OFFICER.

- REVIEW ANY EXECUTIVE AND KEY PHYSICIAN COMPENSATION FOR COMPLIANCE WITH ALL LEGAL REQUIREMENTS RELATING TO COMPENSATION AND IN A MANNER THAT ALIGNS WITH THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE "INTERMEDIATE SANCTIONS" REGULATIONS OF THE INTERNAL REVENUE SERVICE, AS SUCH MAY BE IN EFFECT FROM TIME TO TIME. SUCH REVIEW MAY INCLUDE, WITHOUT LIMITATION, COMPONENTS OF COMPENSATION SUCH AS STANDARD CONTRACT PROVISIONS, BASE SALARY, INCENTIVE PAYMENTS, BENEFITS AND SEVERANCE AGREEMENT IN CONJUNCTION WITH THE WIH PRESIDENT AND CHIEF EXECUTIVE OFFICER.

COMPENSATION STRATEGY AND PLANS:

- PERIODICALLY REVIEW THE COMPENSATION STRATEGY, PLANS AND PROGRAMS OF THE HOSPITAL AND CNE AS THEY RELATE TO EXECUTIVES AND KEY PHYSICIANS. PROVIDE GUIDANCE WITH RESPECT TO GENERAL COMPENSATION GOALS AND OPERATING PRINCIPLES RELATING TO HOSPITAL EMPLOYEES IN GENERAL.
- PERIODICALLY REVIEW RELEVANT COMPARATIVE DATA TO ASSESS THE HOSPITAL'S COMPENSATION PRACTICES, INCLUDING SALARY LEVELS, IN COMPARISON TO COMPENSATION PRACTICES OF APPROPRIATE, COMPARABLE INSTITUTIONS THAT MAY BE DETERMINED FROM TIME TO TIME.
- PERIODICALLY REVIEW ALL SIGNIFICANT BENEFIT PLANS THAT APPLY TO HOSPITAL EMPLOYEES GENERALLY.

GENERAL

- PERFORM ANY OTHER DUTIES AND RESPONSIBILITIES AS THE BOARD MAY DEEM

RIDOH 2275

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

NECESSARY, ADVISABLE OR APPROPRIATE FOR THE COMMITTEE TO PERFORM.

- PERFORM SUCH OTHER DUTIES AND RESPONSIBILITIES AS THE COMMITTEE DEEMS APPROPRIATE TO CARRY OUT ITS PURPOSE AS PROVIDED IN ITS CHARTER.

- REPORT ON A REGULAR BASIS, BUT NO LESS FREQUENTLY THAN ANNUALLY, TO THE BOARD.

RESOURCES AND AUTHORITY OF THE COMMITTEE

- THE COMMITTEE SHALL HAVE THE RESOURCES AND AUTHORITY APPROPRIATE TO DISCHARGE ITS DUTIES AND RESPONSIBILITIES, INCLUDING THE SOLE AUTHORITY TO SELECT, RETAIN, TERMINATE AND APPROVE THE ENGAGEMENT AND OTHER RETENTION TERMS OF SPECIAL COUNSEL OR OTHER EXPERTS OR CONSULTANTS, AS IT DEEMS APPROPRIATE. THE COMMITTEE MAY DELEGATE ITS FUNCTIONS TO OTHERS AS IT MAY DETERMINE FROM TIME TO TIME, AND MAY UTILIZE ANY OTHER RESOURCES IT DEEMS NECESSARY TO CARRY OUT ITS DUTIES AND RESPONSIBILITIES.

MEMBERSHIP

THE COMMITTEE WILL INCLUDE AT LEAST THREE (3) MEMBERS OF THE BOARD OF TRUSTEES OF THE HOSPITAL OR THE BOARD OF DIRECTORS OF THE CORPORATE MEMBER, ONE OF WHOM SHALL SERVE AS THE CHAIRMAN. IF THE CHAIRMAN OF THE BOARD IS NOT A MEMBER OF SAID COMMITTEE, SAID OFFICER MAY ATTEND MEETINGS OF THE COMMITTEE AS A GUEST. ALL MEMBERS OF THE COMMITTEE SHALL BE "INDEPENDENT", AS SAID TERM IS DEFINED BY RESOLUTION OR RESOLUTIONS ADOPTED FROM TIME TO TIME BY THE BOARD, AND AS SUCH RESOLUTIONS MAY BE AMENDED FROM TIME TO TIME. THE CHIEF EXECUTIVE OFFICER OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") MAY ALSO PARTICIPATE IN THE DELIBERATIONS

RIDOH 2276

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 2 (CONT'D)

OF SUCH COMMITTEE.

ALL NOMINATIONS FOR COMMITTEE CHAIRS, VICE CHAIRS, CO-CHAIRS AND MEMBERS WILL BE PRESENTED TO THE GOVERNANCE & NOMINATING COMMITTEE FOR REVIEW AND APPROVAL.

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

WOMEN & INFANTS' HOSPITAL OF RHODE ISLAND'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

FINANCIAL STATEMENTS

FORM 990, PART XI, QUESTION 2

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CARE NEW ENGLAND AUDIT COMMITTEE.

BUSINESS TRANSACTIONS WITH INTERESTED PERSONS

FORM 990, SCHEDULE L, PART IV

LISA CHURCHVILLE IS THE DIRECTOR OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AS WELL AS THE MANAGER OF WJAR-TV WHICH CARRIED HOSPITAL ADVERTISEMENTS. THE AMOUNT IS INDETERMINATE FOR PURPOSES OF SCHEDULE L, PART IV.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

ATTACHMENT 3

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

WOMEN AND INFANTS HOSPITAL, A TEACHING HOSPITAL OF THE WARREN ALPERT SCHOOL OF MEDICINE AT BROWN UNIVERSITY, IS COMMITTED TO IMPROVING HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

ATTACHMENT 4

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LINEN & LAUNDRY SVCS	1,036,602.
UNIVERSITY SURGICAL ASSOCIATES 200 METRO CENTER WARWICK, RI 02886	PROFESSIONAL SVCS	796,730.
NOW DELIVERY PO BOX 6945 PROVIDENCE, RI 02940	LAB COURIER SERVICES	778,727.
MAYO COLLABORATIVE SERVICES PO BOX 4100 ROCHESTER, MN 55903	LAB SERVICES	730,253.
HAGGMAN, INC PO BOX 1491 MANCHESTER, MA 1944	ADVER/MARKETING SVCS	571,308.
TOTAL COMPENSATION		3,913,620.

ATTACHMENT 5

SCHEDULE L, PART IV

(A) NAME OF INTERESTED PERSON	(B) RELATIONSHIP	(C) AMOUNT	(D) DESCRIPTION OF TRANSACTION	(E) YES NO
KATHLEEN COTE BOWLING, MD	DIRECTOR	24,178.	HOSPITAL LEASES SPACE FROM	X
KATHLEEN COTE BOWLING, MD	DIRECTOR	19,500.	LEASES SPACE FROM HOSPITAL	X

RIDOH 2278

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

ATTACHMENT 5 (CONT'D)

SCHEDULE L, PART IV

FRED BROSCO, MD	DIRECTOR	26,422.	MED PRACTICE LEASES SPACE FROM	X
LISA CHURCHVILLE	DIRECTOR		MGR WJAR-CARRIES HOSP ADVERTS	X
MARGARET D. FARRELL	DIRECTOR	110,443.	PARTNER IN FIRM-LEGAL SERVICES	X
ROBERT G. FLANDERS	DIRECTOR	110,443.	PARTNER IN FIRM-LEGAL SERVICES	X
WILLIAM HATFIELD	DIRECTOR	309,887.	EE OF BANK - HOLDS HOSP ACCTS	X
CONSTANCE A. HOWES	PRESIDENT/CEO	502,897.	SPOUSE PTNR IN FIRM-LEGAL SVCS	X
DEBRA M. PAUL	SENIOR VICE PRESIDENT/CFO	10,340.	ON COMMITTEE CU-LEASES SPACE	X
CYNTHIA REED	DIRECTOR	14,149.	SPOUSE PTNR IN FIRM-LEGAL SVCS	X
CYNTHIA REED	DIRECTOR	2,242,993.	DELTA DENTAL HOSP-INSURANCE	X

RIDOH 2279

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36 or 37.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2009

Open to Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
W&I ANCILLARY SERVICES, INC 20-0222992 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTH CARE	RI	0.	0.	WIHRI

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITING NURS	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
W&I INDEMNITY, LTD 98-0159342 101 DUDLEY STREET PROVIDENCE, RI 02905	INSURANCE	CJ	WIH	C	19,631,639.	96,116,106.	100.0000
TOLL GATE INDEMNITY, LTD 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	KCMH	C			

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, or 36.)

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.			
1 During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j	X	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k	X	
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n	X	
o Reimbursement paid to other organization for expenses	1o	X	
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q	X	
r Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved
(1)	WOMEN & INFANTS CORPORATION (RENT)	J	652,431.
(2)	WOMEN & INFANTS CORPORATION (ACCOUNTING SERVI	N	66,840.
(3)	W&I INDEMNITY, LTD (INSURANCE PREMIUMS PD)	Q	11,767,680.
(4)	BUTLER HOSPITAL	N	479,665.
(5)	BUTLER HOSPITAL	O	52,560.
(6)	BUTLER HOSPITAL	P	487,375.

RIDOH 2282

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations? Yes	(d) No	(e) Share of end-of-year assets	(f) Disproportionate allocations? Yes	(f) No	(g) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner? Yes	(h) No

RIDOH 2283

SCHEDULE R-1 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule R (Form 990)

▶ Attach to Form 990 to list additional information for Schedule R (Form 990), Part I; Part II; Part III; Part IV; Part V, line 2; or Part VI.

▶ See instructions for Schedule R (Form 990).

OMB No 1545-0047

2009

Open to Public Inspection

Name of filing organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I Continuation of Identification of Disregarded Entities

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A

Part III **Continuation of Identification of Related Organizations Taxable as a Partnership**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514.)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V-UBI amount on box 20 of K-1	(j) General or managing partner? Yes	(j) No

RIDOH 2286

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7) KENT COUNTY VNA D/B/A VNA OF CNE	K	19,905.
(8) KENT COUNTY VNA D/B/A VNA OF CNE	P	54,275.
(9) KENT COUNTY MEMORIAL HOSPITAL	K	70,315.
(10) KENT COUNTY MEMORIAL HOSPITAL	N	90,054.
(11) KENT COUNTY MEMORIAL HOSPITAL	O	583,026.
(12) KENT COUNTY MEMORIAL HOSPITAL	J	18,150.
(13) KENT COUNTY MEMORIAL HOSPITAL	P	490,084.
(14)		
(15)		
(16)		
(17)		
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

RIDOH 2288

Part VI Continuation of Unrelated Organizations Taxable as a Partnership

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V-UBI amount on Box 20 of K-1	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

JSA

9E1316 1 000

5847AQ F227 10868786 PAGE 91

RIDOH 2289

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

PUBLIC INSPECTION COPY

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , **2008, and ending** 09/30 , **20**09

B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Termination ☐ Amended return ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization: WOMEN & INFANTS HOSPITAL OF RI

Doing Business As:

Number and street (or P.O. box if mail is not delivered to street address): 101 DUDLEY STREET — Room/suite:

City or town, state or country, and ZIP + 4: PROVIDENCE, RI 02905

D Employer identification number: 05-0258937

E Telephone number: (401) 274-1122 EXT 2192

G Gross receipts $ 390,721,552.

F Name and address of principal officer: CONSTANCE A. HOWES
101 DUDLEY STREET PROVIDENCE, RI 02905

H(a) Is this a group return for affiliates? ☐ Yes ☒ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☒ 501(c)(3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ WWW.WOMENANDINFANTS.ORG

K Type of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1884 **M** State of legal domicile: RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
WOMEN & INFANTS HOSPITAL IS COMMITTED TO IMPROVING HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	20
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	13
5	Total number of employees (Part V, line 2a)	5	3,328
6	Total number of volunteers (estimate if necessary)	6	
7a	Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	17,273,900.
b	Net unrelated business taxable income from Form 990-T, line 34	7b	3,595,551.

		Prior Year	Current Year
8	Contribution and grants (Part VIII, line 1h)	31,592,288.	23,421,985.
9	Program service revenue (Part VIII, line 2g)	305,916,057.	325,965,093.
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	2,744,424.	1,370,055.
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	25,546,189.	37,970,105.
12	Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	365,798,958.	388,727,238.
13	Grants and similar amounts paid (Part IX, column (A), lines 1-3)	NONE	416,394.
14	Benefits paid to or for members (Part IX, column (A), line 4)	NONE	
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	211,000,472.	229,478,114.
16a	Professional fundraising fees (Part IX, column (A), line 11e)	NONE	
b	Total fundraising expenses, Part IX, column (D), line 25) ▶ 1,137,039.		
17	Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	136,003,655.	143,403,096.
18	Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	347,004,127.	373,297,604.
19	Revenue less expenses. Subtract line 18 from line 12	18,794,831.	15,429,634.

		Beginning of Year	End of Year
20	Total assets (Part X, line 16)	301,834,951.	314,967,967.
21	Total liabilities (Part X, line 26)	159,946,323.	163,709,015.
22	Net assets or fund balances. Subtract line 21 from line 20	141,888,628.	151,258,952.

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Type or print name and title

Paid Preparer's Use Only

Preparer's signature: Susan Drill — Date: 8/4/2010 — Check if self-employed ▶ ☐ — Preparer's identifying number (see instructions) P00233523

Firm's name (or yours if self-employed), address, and ZIP + 4: ERNST & YOUNG U.S. LLP, 75 BEATTIE PLACE, SUITE 800 GREENVILLE, SC 29601 — EIN ▶ 34-6565596 — Phone no. ▶ 864-242-5740

May the IRS discuss this return with the preparer shown above? (See instructions) ☐ Yes ☒ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions. Form **990** (2008)

RIDOH 2291

Part III **Statement of Program Service Accomplishments** (see instructions)

1 Briefly describe the organization's mission:

SEE STATEMENT 1

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☒ No

If "Yes" describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☒ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: _____) (Expenses $ 332,913,229. including grants of $ 416,394.) (Revenue $ 345,815,063.)

THE HOSPITAL IS THE REGIONAL CENTER FOR WOMEN AND INFANTS HEALTHCARE IN RHODE ISLAND AND ENVIRONS, PROVIDING CARE IN THE AREAS OF OBSTETRICS, NEONATAL INTENSIVE CARE, REPRODUCTIVE ENDOCRINOLOGY, MATERNAL FETAL MEDICINE AND GYNECOLOGY.

4b (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4c (Code: _____) (Expenses $ _____ including grants of $ _____) (Revenue $ _____)

4d Other program services. (Describe in Schedule O.)

(Expenses $ including grants of $) (Revenue $ 345,815,063.)

4e Total program service expenses ▶ $ 332,913,229. *(Must equal Part IX, Line 25, column (B).)*

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	X	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2	X	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		X
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4	X	
5	**Sections 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		X
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		X
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		X
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		X
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	X	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	X	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12		X
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		X
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		X
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b	X	
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15	X	
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		X
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		X
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18	X	
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		X
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	X	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21	X	
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		X
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5,? *If "Yes," complete Schedule J*	23	X	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b-24d and complete Schedule K. If "No," go to question 25*	24a		X
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		X
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		X
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		X
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		X

RIDOH 2293

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
a	Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		X
b	Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b	X	
c	Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c	X	
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29	X	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		X
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		X
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		X
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations section 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		X
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	X	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		X
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	X	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		X

RIDOH 2294

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 324		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b NONE		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	X	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 3,328		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	X	
	Note: If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a	X	
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b	X	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	X	
b	If "Yes," enter the name of the foreign country: ▶CAYMAN ISLANDS See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		X
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		X
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		X
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a	X	
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	X	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		X
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		X
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		X
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b		

Part VI **Governance, Management, and Disclosure** *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2-7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, process, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body 1a 20			
b	Enter the number of voting members that are independent 1b 13			
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		X
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . . .	3	X	
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	X	
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		X
6	Does the organization have members or stockholders?	6	X	
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	X	
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	X	
8	Did the organizations contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	X	
b	Each committee with authority to act on behalf of the governing body?	8b	X	
9a	Does the organization have local chapters, branches, or affiliates?	9a		X
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	X	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		X

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	X	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	X	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	X	
13	Does the organization have a written whistleblower policy?	13	X	
14	Does the organization have a written document retention and destruction policy?	14	X	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	X	
b	Other officers or key employees of the organization?	15b	X	
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		X
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶ MA

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶DEBRA M. PAUL, CPA MBA 101 DUDLEY STREET PROVIDENCE, RI 02905
401-274-1122

RIDOH 2296

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
SEE SCHEDULE J-2										

RIDOH 2297

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
1b Total ▶								9,222,774.	NONE	1,102,964.

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 208

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		X
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	X	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		X

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
SEE STATEMENT 2		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 23

RIDOH 2298

Part VIII Statement of Revenue 05-0258937

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns 1a				
	b Membership dues 1b				
	c Fundraising events 1c 298,625.				
	d Related organizations 1d				
	e Government grants (contributions) 1e 13,391,368.				
	f All other contributions, gifts, grants, and similar amounts not included above 1f 9,731,992.				
	g Noncash contributions included in lines 1a-1f: $ 447,337.				
	h **Total.** Add lines 1a-1f ▶	23,421,985.			
Program Service Revenue		**Business Code**			
	2a PATIENT SERVICE REVENUE	622310	325,965,093.	325,965,093.	
	b				
	c				
	d				
	e				
	f All other program service revenue				
	g **Total.** Add lines 2a-2f ▶	325,965,093.			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶	1,352,245.			1,352,245.
	4 Income from investment of tax-exempt bond proceeds ▶				
	5 Royalties ▶	32,370.	32,370.		
		(i) Real	(ii) Personal		
	6a Gross Rents				
	b Less: rental expenses				
	c Rental income or (loss)				
	d Net rental income or (loss) ▶				
		(i) Securities	(ii) Other		
	7a Gross amount from sales of assets other than inventory	1,470,930.	361,245.		
	b Less: cost or other basis and sales expenses	1,460,445.	353,920.		
	c Gain or (loss)	10,485.	7,325.		
	d Net gain or (loss) ▶	17,810.			17,810.
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18. a	76,900.			
	b Less: direct expenses b	179,949.			
	c Net income or (loss) from fundraising events ▶	-103,049.			-103,049.
	9a Gross income from gaming activities. See Part IV, line 19. a				
	b Less direct expenses b				
	c Net income or (loss) from gaming activities ▶				
	10a Gross sales of inventory, less returns and allowances a				
	b Less: cost of goods sold b				
	c Net income or (loss) from sales of inventory ▶				
	Miscellaneous Revenue	**Business Code**			
	11a PROFESSIONAL REVENUE (PART B)	812900	17,959,866.	17,959,866.	
	b SEND IN LAB REVENUE	621500	17,273,900.		17,273,900.
	c CONTRACT REVENUE	900099	1,614,969.	1,614,969.	
	d All other revenue	900099	1,192,049.	242,765.	949,284.
	e **Total.** Add lines 11a-11d ▶		38,040,784.		
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶	388,727,238.	345,815,063.	17,273,900.	2,216,290.

RIDOH 2299

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	313,760.	313,760.		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	102,634.	102,634.		
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	7,199,002.	2,747,774.	4,145,637.	305,591.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7 Other salaries and wages	167,249,100.	151,706,216.	15,309,502.	233,382.
8 Pension plan contributions (include section 401 (k) and section 403(b) employer contributions)	8,079,262.	7,352,128.	727,134.	
9 Other employee benefits	34,132,384.	31,060,469.	3,071,915.	
10 Payroll taxes	12,818,366.	11,664,713.	1,153,653.	
11 Fees for services (non-employees):				
a Management				
b Legal	674,748.		674,748.	
c Accounting	87,760.		87,760.	
d Lobbying	76,048.		76,048.	
e Professional fundraising services. See Part IV, line 17				
f Investment management fees				
g Other	17,066,722.	14,677,381.	2,389,341.	
12 Advertising and promotion	677,619.	582,752.	94,867.	
13 Office expenses	31,904,177.	27,380,745.	4,457,330.	66,102.
14 Information technology	10,956,252.	9,422,377.	1,533,875.	
15 Royalties				
16 Occupancy	8,155,465.	7,013,700.	1,141,765.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings	872,637.	742,355.	120,848.	9,434.
20 Interest	304,408.	261,791.	42,617.	
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	12,735,982.	10,952,945.	1,783,037.	
23 Insurance	12,971,966.	11,155,891.	1,816,075.	
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a RESEARCH	15,660,674.	15,660,674.		
b STATE_LICENSURE_FEE	14,698,788.	14,698,788.		
c PROVISION_FOR_BAD_DEBT	6,890,996.	6,890,996.		
d HEALTHCARE_SERVICES	3,500,333.	3,500,333.		
e ALL_OTHER_EXPENSES	6,168,521.	5,024,807.	621,184.	522,530.
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	373,297,604.	332,913,229.	39,247,336.	1,137,039.
26 **Joint Costs.** Check here ▶ ☐ If following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2300

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash - non-interest-bearing		1	
	2	Savings and temporary cash investments	44,976,115.	2	37,604,444.
	3	Pledges and grants receivable, net	7,894,909.	3	4,069,519.
	4	Accounts receivable, net	35,089,394.	4	40,441,068.
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		5	
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7	Notes and loans receivable, net	164,419.	7	148,919.
	8	Inventories for sales or use	401,551.	8	477,060.
	9	Prepaid expenses and deferred charges	1,687,691.	9	1,781,431.
	10a	Land, buildings, and equipment: cost basis 10a 313,834,213.			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D 10b 157,839,848.	130,728,469.	10c	155,994,365.
	11	Investments - publicly traded securities	59,093,370.	11	58,936,109.
	12	Investments - other securities. See Part IV, line 11	1,279,275.	12	1,247,454.
	13	Investments - program-related. See Part IV, line 11		13	
	14	Intangible assets		14	
	15	Other assets. See Part IV, line 11	20,519,758.	15	14,267,598.
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	301,834,951.	16	314,967,967.
Liabilities	17	Accounts payable and accrued expenses	48,250,811.	17	40,684,352.
	18	Grants payable		18	
	19	Deferred revenue	750,000.	19	2,650,000.
	20	Tax-exempt bond liabilities		20	
	21	Escrow account liability. Complete Part IV of Schedule D		21	
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23	Secured mortgages and notes payable to unrelated third parties	5,260,342.	23	5,025,756.
	24	Unsecured notes and loans payable		24	
	25	Other liabilities. Complete Part X of Schedule D	105,685,170.	25	115,348,907.
	26	**Total liabilities.** Add lines 17 through 25	159,946,323.	26	163,709,015.
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ [X] and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	94,579,815.	27	119,532,267.
	28	Temporarily restricted net assets	40,365,448.	28	27,736,449.
	29	Permanently restricted net assets	6,943,365.	29	3,990,236.
		Organizations that do not follow SFAS 117, check here ▶ [ ] and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	141,888,628.	33	151,258,952.
	34	Total liabilities and net assets/fund balances	301,834,951.	34	314,967,967.

Part XI Financial Statements and Reporting

			Yes	No
1	Accounting method used to prepare the Form 990: [ ] Cash [X] Accrual [ ] Other			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		X
b	Were the organization's financial statements audited by an independent accountant?	2b		X
c	If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	2c		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	X	
b	If "Yes," did the organization undergo the required audit or audits?	3b	X	

RIDOH 2301

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☒ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☐ Type II c ☐ Type III - Functionally Integrated d ☐ Type III - Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (See instructions.) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33 1/3% support test - 2008.** If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33 1/3% support test - 2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test - 2008.** If the organization did not check a box on line 13, 16a or 16b, and line 14 is 10% or more, and if the organization meets the "fact-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts and circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test - 2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and **stop here.** Explain in Part IV how the organzation meets the "facts-and-circumstances"" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18	Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33 1/3% support tests - 2008.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33 1/3% support tests - 2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2304

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 2305

Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, and 990-PF.

OMB No. 1545-0047

2008

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Organization type (check one):

Filers of:	Section:
Form 990 or 990-EZ	[X] 501(c)(3) (enter number) organization
	[ ] 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	[ ] 527 political organization
Form 990-PF	[ ] 501(c)(3) exempt private foundation
	[ ] 4947(a)(1) nonexempt charitable trust treated as a private foundation
	[ ] 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.** (**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.)

General Rule

[ ] For organizations filing Form 990, 990-EZ, or 990-PF that received, during the year, $5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

Special Rules

[X] For a section 501(c)(3) organization filing Form 990, or Form 990-EZ, that met the 33 1/3 % support test of the regulations under sections 509(a)(1)/170(b)(1)(A)(vi), and received from any one contributor, during the year, a contribution of the greater of **(1)** $5,000 or **(2)** 2% of the amount on Form 990, Part VIII, line 1h or 2% of the amount on Form 990-EZ, line 1. Complete Parts I and II.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, aggregate contributions or bequests of more than $1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

[ ] For a section 501(c)(7), (8), or (10) organization filing Form 990, or Form 990-EZ, that received from any one contributor, during the year, some contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not aggregate to more than $1,000. (If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of $5,000 or more during the year.) . . . . . ▶ $ _____

Caution. Organizations that are not covered by the General Rule and/or the Special Rules do not file Schedule B (Form 990, 990-EZ, or 990-PF), but they **must** answer "No" on Part IV, line 2 of their Form 990, or check the box in the heading of their Form 990-EZ, or on line 2 of their Form 990-PF, to certify that they do not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
1		$ 1,397,010.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
2		$ 1,594,264.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
3		$ 505,440.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
4		$ 599,219.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
5		$ 1,125,544.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
6		$ 1,020,509.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 2307

Name of organization WOMEN & INFANTS HOSPITAL OF RI

Employer identification number 05-0258937

Part I **Contributors** (see instructions)

(a) No.	(b) Name, address, and ZIP + 4	(c) Aggregate contributions	(d) Type of contribution
7		$ 707,746.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
8		$ 756,591.	Person [X] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)
		$	Person [ ] Payroll [ ] Noncash [ ] (Complete Part II if there is a noncash contribution.)

RIDOH 2308

SCHEDULE C
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **To be completed by organizations described below.**

▶ **Attach to Form 990 or Form 990-EZ.**

OMB No. 1545-0047

2008

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part VI, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(cy)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

Part I-A To be completed by all organizations exempt under section 501(c) and section 527 organizations.

See the instructions for Schedule C for details.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B To be completed by all organizations exempt under section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C To be completed by all organizations exempt under section 501(c), except section 501(c)(3).

See the instructions for Schedule C for details.

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total of direct and indirect exempt function expenditures. Add lines 1 and 2 and enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 State the names, addresses and employer identification number (EIN) of all section 527 political organizations to which payments were made. Enter the amount paid and indicate if the amount was paid from the filing organization's funds or were political contributions received and promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.

Part II-A **To be completed by organizations exempt under section 501(c)(3) that filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

A Check ▶ ☐ if the filing organization belongs to an affiliated group.
B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		
g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. Enter -0- if line g is more than line a		
i Subtract line 1f from line 1c. Enter -0- if line f is more than line c		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f of the instructions.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B **To be completed by organizations exempt under section 501(c)(3) that have NOT filed Form 5768 (election under section 501(h)).** See the instructions for Schedule C for details.

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		X	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		X	
c	Media advertisements?		X	
d	Mailings to members, legislators, or the public?		X	
e	Publications, or published or broadcast statements?		X	
f	Grants to other organizations for lobbying purposes?		X	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		X	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any other means?		X	
i	Other activities? If "Yes," describe in Part IV	X		76,048.
j	Total lines 1c through 1i			76,048.
2 a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		X	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?		X	

Part III-A **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).** See the instructions for Schedule C for details.

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **To be completed by all organizations exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, questions 1 and 2 are answered "No" OR if Part III-A, question 3 is answered "Yes."** See Schedule C instructions for details.

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (line 2c total minus 3 and 4)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5 and Part II-B, line 1i. Also, complete this part for any additional information.

SEE PAGE 4

RIDOH 2311

Part IV Supplemental Information *(continued)*

LOBBYING ACTIVITIES

SCHEDULE C, PART II-B, 1I

THE HOSPITAL PAID $39,920 TO THE AMERICAN HOSPITAL ASSOCIATION (AHA) FOR MEMBERSHIP DUES, OF WHICH 23.76% OR $9,485 WAS ALLOCATED TO LOBBYING. THE HOSPITAL PAID $60,000 TO THE MAYFORTH GROUP, LLC FOR PROFESSIONAL BUSINESS, LOBBYING AND CONSULTING SERVICES. THE HOSPITAL PAID $6,563 TO SAFETY NET HOSPITAL PHARMACEUTICAL ACCESS FOR 2009 DUES ASSESSMENT.

RIDOH 2312

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically importantly land area
☐ Preservation of certified historic structure

2 Complete lines 2a-2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

			Held at the End of the Year
a	Total number of conservation easements	2a	
b	Total acreage restricted by conservation easements	2b	
c	Number of conservation easements on a certified historic structure included in (a)	2c	
d	Number of conservation easements included in (c) acquired after 8/17/06	2d	

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current Year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	6,785,603.				
b Contributions	91,305.				
c Investment earnings or losses	306,023.				
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses	26,141.				
g End of year balance	7,156,790.				

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ _____ %
b Permanent endowment ▶ 100.0000 %
c Term endowment ▶ _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i) unrelated organizations	3a(i)		X
(ii) related organizations	3a(ii)		X
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?	3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments - Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land		3,254,245.		3,254,245.
b Buildings		180,572,205.	70,149,140.	110,423,065.
c Leasehold improvements		6,591,506.	2,922,881.	3,668,625.
d Equipment		122,149,455.	84,767,827.	37,381,628.
e Other		1,266,802.		1,266,802.
Total. Add lines 1a-1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ▶				155,994,365.

Part VII Investments - Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products		
Closely-held equity interests		
Other		
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 12.)* ▶		

Part VIII Investments - Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	
DUE TO AFFILIATES	54,095,046.
EST 3RD PARTY PAYOR SETTLEMENTS	29,775,229.
PENSION PAYABLE	11,401,694.
DEFERRED COMPENSATION	1,889,007.
CAPITAL LEASE OBLIGATIONS	1,746,606.
RESERVE FOR LOSSES	16,441,325.
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	115,348,907.

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 2315

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net). Add lines 4-8	9	
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a			
b	Donated services and use of facilities	2b			
c	Recoveries of prior year grants	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a			
b	Prior year adjustments	2b			
c	Losses reported on Form 990, Part IX, line 25	2c			
d	Other (Describe in Part XIV)	2d			
e	Add lines **2a** through **2d**			2e	
3	Subtract line **2e** from line **1**			3	
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a			
b	Other (Describe in Part XIV)	4b			
c	Add lines **4a** and **4b**			4c	
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

SEE PAGE 5

RIDOH 2316

Part XIV Supplemental Information *(continued)*

ENDOWMENT USE

SCHEDULE D, PART X

THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THESE PURPOSES INCLUDE HEALTHCARE SERVICES, RESEARCH, INDIGENT CARE, AND EDUCATION. THE HOSPITAL'S ENDOWMENTS CONSIST SOLELY OF DONOR-RESTRICTED ENDOWMENT FUNDS. THE HOSPITAL CLASSIFIES AS PERMANENTLY RESTRICTED NET ASSETS (A) THE ORIGINAL VALUE OF GIFTS DONATED TO THE PERMANENT ENDOWMENT, (B) THE ORIGINAL VALUE OF SUBSEQUENT GIFTS TO THE PERMANENT ENDOWMENT, (C) ACCUMULATIONS TO THE PERMANENT ENDOWMENT MADE IN ACCORDANCE WITH THE DIRECTION OF THE APPLICABLE DONOR GIFT INSTRUMENTS AT THE TIME THE ACCUMULATION IS ADDED TO THE FUND. THE REMAINING PORTION OF THE DONOR-RESTRICTED ENDOWMENT FUNDS THAT IS NOT CLASSIFIED IN PERMANENTLY RESTRICTED NET ASSETS IS CLASSIFIED AS TEMPORARILY RESTRICTED NET ASSETS UNTIL THOSE AMOUNTS ARE APPROPRIATED FOR EXPENDITURE.

Schedule F (Form 990)

Department of the Treasury
Internal Revenue Service

Statement of Activities Outside the United States

▶ Attach to Form 990. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b line 15, or line 16.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I **General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 **For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☒ Yes ☐ No

2 **For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

3 Activities per Region. (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures in region
EAST ASIA AND THE PACIFIC	1	7	GRANTMAKING		101,141.
SUB-SAHARAN AFRICA	1	4	GRANTMAKING		1,493.
Totals . . . . . ▶	2	11			102,634.

Part II **Grants and Other Assistance to Organizations or Entities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than $5,000. Check this box if no one recipient received more than $5,000 . . . . . ▶ ☐

Use Schedule F-1 (Form 990) if additional space is needed.

1 (a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
			SUBCONTRACT	101,141.	GRANTMAKING			FMV

2 Enter total number of organizations that are recognized as charities by the foreign country or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶

3 Enter total number of other organizations or entities . . . . . ▶ 1

Part III **Grants and Other Assistance to Individuals Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Use Schedule F-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)

JSA
8E1276 1.000

RIDOH 2320

Part IV **Supplemental Information**
Complete this part to provide the information required in Part I, line 2, and any other additional information.

ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US

SCHEDULE F

PART I, LINE 2 - FOR INTERNATIONAL SUBCONTRACTORS: (1) ANNUAL REQUESTS ARE MADE FOR AUDIT CERTIFICATION; (2) ANNUAL REQUESTS ARE MADE FOR MOST UP-TO-DATE POLICIES AND PROCEDURES MANUAL; (3) INVOICES ARE REVIEWED AND APPROVED BY PRINCIPAL INVESTIGATOR'S OFFICE AS WELL AS BY THE GRANT MANAGEMENT OFFICE.

PART I, LINE 3 - INVOICES ARE REVIEWED/APPROVED BY BOTH THE PRINCIPAL INVESTIGATOR'S OFFICE AS WELL AS BY GRANT MANAGEMENT PRIOR TO PROCESSING PAYMENT. EXPENSES ARE COMPARED TO APPROVED BUDGET. EXPENSES ARE RECONCILED TO BACKUP DOCUMENTATION.

PART III, COLUMN C - NOT APPLICABLE

RIDOH 2321

SCHEDULE G
(Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service

Supplemental Information Regarding Fundraising or Gaming Activities

▶ Attach to Form 990 or Form 990-EZ. Must be completed by organizations that answer "Yes" to Form 990, Part IV, lines 17, 18, or 19, and by organizations that enter more than $15,000 on Form 990-EZ, line 6a.

OMB No. 1545-0047
2008
Open To Public Inspection

Name of the organization
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number
05-0258937

Part I **Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

a ☐ Mail solicitations
b ☐ Email solicitations
c ☐ Phone solicitations
d ☐ In-person solicitations
e ☐ Solicitation of non-government grants
f ☐ Solicitation of government grants
g ☐ Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising activities? ☐ Yes ☐ No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least $5,000 by the organization. Form 990-EZ filers are not required to complete this table.

(i) Name of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions? Yes	(iii) No	(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
Total ▶						

3 List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing.

Part II **Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than $15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than $5,000.

		(a) Event #1 BIKE RIDE (event type)	(b) Event #2 IN WEEK EVENTS (event type)	(c) Other Events NONE (total number)	(d) Total Events (Add col. (a) through col. (c))
Revenue	1 Gross receipts	43,900.	331,625.		375,525.
	2 Less: Charitable contributions		298,625.		298,625.
	3 Gross revenue (line 1 minus line 2)	43,900.	33,000.		76,900.
Direct Expenses	4 Cash prizes				
	5 Non-cash prizes				
	6 Rent/facility costs	280.			280.
	7 Other direct expenses		179,669.		179,669.
	8 Direct expense summary. Add lines 4 through 7 in column (d) ▶				(179,949.)
	9 Net income summary. Combine lines 3 and 8 in column (d) ▶				-103,049.

Part III **Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than $15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (Add col. (a) through col. (c))
Revenue	1 Gross revenue				
Direct Expenses	2 Cash prizes				
	3 Non-cash prizes				
	4 Rent/facility costs				
	5 Other direct expenses				
	6 Volunteer labor	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	☐ Yes ____ % ☐ No	
	7 Direct expense summary. Add lines 2 through 5 in column (d) ▶				( )
	8 Net gaming income summary. Combine lines 1 and 7 in column (d) ▶				

			Yes	No
9	Enter the state(s) in which the organization operates gaming activities: _____			
a	Is the organization licensed to operate gaming activities in each of these states?	9a		
b	If "No," Explain: _____			
10a	Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?	10a		
b	If "Yes," Explain: _____			
11	Does the organization operate gaming activities with nonmembers?	11		
12	Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?	12		

RIDOH 2323

			Yes	No
13	Indicate the percentage of gaming activity operated in:			
a	The organization's facility	13a %		
b	An outside facility	13b %		
14	Provide the name and address of the person who prepares the organization's gaming/special event books and records:			
	Name ▶ _____			
	Address ▶ _____			
15a	Does the organization have a contract with a third party from whom the organization receives gaming revenue?	15a		
b	If "Yes," enter the amount of gaming revenue received by the organization ▶ $ _____ and the amount of gaming revenue retained by the third party ▶ $ _____.			
c	If "Yes," enter name and address:			
	Name ▶ _____			
	Address ▶ _____			
16	Gaming manager information:			
	Name ▶ _____			
	Gaming manager compensation ▶ $ _____			
	Description of services provided ▶ _____			
	☐ Director/officer ☐ Employee ☐ Independent contractor			
17	Mandatory distributions:			
a	Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?	17a		
b	Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ $			

RIDOH 2324

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

			Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	1a		
b	If "Yes," is it a written policy?	1b		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.			
a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %	3a		
b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %	3b		
c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.			
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	4		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a		
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?	5b		
c	If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?	5c		
6a	Does the organization prepare an annual community benefit report?	6a		
b	If "Yes," does the organization make it available to the public?	6b		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *Worksheets 1 and 2*)						
b Unreimbursed Medicaid (from *Worksheet 3, column a*)						
c Unreimbursed costs - other means-tested government programs (from *Worksheet 3, column b*)						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities. *(Optional for 2008)*

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

Part III **Bad Debt, Medicare, & Collection Practices** *(Optional for 2008)*

Section A. Bad Debt Expense

		Yes	No
1 Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		
2 Enter the amount of the organization's bad debt expense (at cost)	2		
3 Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy	3		
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5 Enter total revenue received from Medicare (including DSH and IME)	5		
6 Enter Medicare allowable costs of care relating to payments on line 5	6		
7 Enter line 5 less line 6 - surplus or (shortfall)	7		
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used: ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other			

Section C. Collection Practices

9a Does the organization have a written debt collection policy?	9a		
b If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI.	9b		

Part IV **Management Companies and Joint Ventures** *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 2326

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 101 DUDLEY STREET PROVIDENCE RI 02905	X	X		X					
WOMEN & INFANTS HOSPITAL 1 BLACKSTONE PLACE PROVIDENCE RI 02903									MEDICAL
WOMEN & INFANTS HOSPITAL 79 PLAIN STREET PROVIDENCE RI 02903									MEDICAL
WOMEN & INFANTS HOSPITAL 100 DUDLEY STREET PROVIDENCE RI 02905		X							PHYSICIANS OFFICES
WOMEN & INFANTS HOSPITAL 1050 MAIN ST, UNIT A & B EAST GREENWICH RI 02818									MEDICAL OFFICE BUILDING & HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 2168 DIAMOND HILL ROAD WOONSOCKET RI 02895									MEDICAL OFFICE BUILDING & HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 2220 GAR HIGHWAY SWANSEA MA 02777									MEDICAL OFFICE BUILDING & HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 6 WHIPPLE STREET NORTH ATTLEBORO MA 02760									MEDICAL OFFICE BUILDING & HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 70 ELM STREET PROVIDENCE RI 02905									HOSPITAL LABS
WOMEN & INFANTS HOSPITAL 200 CHESTNUT STREET PROVIDENCE RI 02905						X			BUILDING FOR RESEARCH
WOMEN & INFANTS HOSPITAL 200 TOLL GATE RD, SUITE 101 WARWICK RI 02886									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 134 THURBERS AVENUE PROVIDENCE RI 02905									HOSPITAL DEPARTMENTS (AUDIOLOGY, PROJECT LINK, ETC.)
WOMEN & INFANTS HOSPITAL ONE RANDALL SQUARE PROVIDENCE RI 02904									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 247 ROOSEVELT AVENUE PAWTUCKET RI 02860									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 38 AMARAL STREET EAST PROVIDENCE RI 02915									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2213 MENDON ROAD WOONSOCKET RI 02895									LAB DRAWING STATION

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
WOMEN & INFANTS HOSPITAL 407 EAST AVENUE PAWTUCKET RI 02860									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 18 IMPERIAL PLACE, SUITE 2G PROVIDENCE RI 02903									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 11 WELLS STREET WESTERLY RI 02891									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 695 EDDY STREET PROVIDENCE RI 02903									MEDICAL- UROGYNECOLOGY/ LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 725 RESERVOIR AVENUE CRANSTON RI 02920									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 215 TOLL GATE ROAD WARWICK RI 02886									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2 DUDLEY STREET PROVIDENCE RI 02905									MEDICAL OFFICE BUILDING
WOMEN & INFANTS HOSPITAL 49 SOUTH COUNTY COMMONS WAY WAKEFIELD RI 02879									MEDICAL OFFICE BUILDING & HEALTH EDUCATION
WOMEN & INFANTS HOSPITAL 367 NEW BOSTON ROAD FALL RIVER MA 02724									MEDICAL/ PHYSICIAN OFFICE
WOMEN & INFANTS HOSPITAL 235 PLAIN STREET PROVIDENCE RI 02905									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 2358 SOUTH COUNTY TRAIL #2 EAST GREENWICH RI 02818									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 50 HOLDEN STREET PROVIDENCE RI 02908									HOSPITAL DEPARTMENT BROWN CENTER- CHILDREN AT RISK
WOMEN & INFANTS HOSPITAL 750 WASHINGTON STREET, #36 BOSTON MA 02111		X							IVF NEMC SITE
WOMEN & INFANTS HOSPITAL 17 COCASSET STREET FOXBORO MA 02035									PHYSICIAN PRACTICE
WOMEN & INFANTS HOSPITAL 900 WARREN AVENUE EAST PROVIDENCE RI 02914									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 107 FAIRHAVEN ROAD MATTAPOISETT MA 02739									PHYSICIAN PRACTICE

Part V Facility Information *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER - 24 hours	ER - other	Other (Describe)
WOMEN & INFANTS HOSPITAL 1407 SOUTH COUNTY TRAIL EAST GREENWICH RI 02818									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 1637 MINERAL SPRING AVENUE NORTH PROVIDENCE RI 02904									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 46 WELLS STREET WESTERLY RI 02891									LAB DRAWING STATION
WOMEN & INFANTS HOSPITAL 90 PLAIN STREET PROVIDENCE RI 02903									MEDICAL PRACTICES
WOMEN & INFANTS HOSPITAL 45 MAIN STREET WAREHAM MA 02740									PHYSICIAN PRACTICE
WOMEN & INFANTS HOSPITAL 101 PLAIN STREET PROVIDENCE RI 02903									MEDICAL OFFICES

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RIDOH 2330

SCHEDULE I (Form 990)

Department of the Treasury
Internal Revenue Service

Grants and Other Assistance to Organizations, Governments, and Individuals in the U.S.

▶ Complete if the organization answered "Yes," on Form 990, Part IV, lines 21 or 22.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I General Information on Grants and Assistance

1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☒ Yes ☐ No

2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States.

Complete if the organization answered "Yes" on Form 990, Part IV, line 21, for any recipient that received more than $5,000. Check this box if no one recipient received more than $5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed . . . . . ▶ ☐

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
BROWN UNIVERSITY			313,760.				SHARED PROGRAMS

2 Enter total number of section 501(c)(3) and government organizations . . . . . ▶ 1

3 Enter total number of other organizations . . . . . ▶

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule I (Form 990) 2008

JSA
8E1288 2.000

RIDOH 2331

Part III **Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Use Schedule I-1 (Form 990) if additional space is needed.

(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance

Part IV **Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

FORM 990, SCHEDULE I

DESCRIPTION OF ORGANIZATION'S PROCEDURES FOR MONITORING THE USE OF GRANTS

THE HOSPITAL PROVIDES FUNDS TO BROWN UNIVERSITY FOR SHARED PROGRAMS.

SHARED CHAIR PROGRAM SUPPORT WAS $313,760 FOR FY 2009. EXPENSES ARE

APPROVED BY THE PRESIDENT/CEO AND REVIEWED BY ACCOUNTING PRIOR TO

PROCESSING PAYMENT.

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Questions Regarding Compensation

			Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.			
	[ ] First-class or charter travel	[ ] Housing allowance or residence for personal use		
	[ ] Travel for companions	[ ] Payments for business use of personal residence		
	[ ] Tax indemnification and gross-up payments	[X] Health or social club dues or initiation fees		
	[ ] Discretionary spending account	[ ] Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	1b	X	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	X	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.			
	[X] Compensation committee	[X] Written employment contract		
	[X] Independent compensation consultant	[X] Compensation survey or study		
	[ ] Form 990 of other organizations	[X] Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:			
a	Receive a severance payment or change of control payment?	4a		X
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b		X
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c		X
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.			
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5-8.			
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:			
a	The organization?	5a		X
b	Any related organization?	5b		X
	If "Yes" to line 5a or 5b, describe in Part III.			
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:			
a	The organization?	6a	X	
b	Any related organization?	6b	X	
	If "Yes" to line 6a or 6b, describe in Part III.			
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7		X
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III	8		X

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
SEE SCHEDULE J-1	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

SUPPLEMENTAL COMPENSATION INFORMATION

SCHEDULE J, PART I, QUESTION 1B

PAYMENTS MADE TO SOCIAL CLUB FOR DUES ARE MADE IN ACCORDANCE WITH EMPLOYMENT CONTRACTS.

SHORT TERM INCENTIVE PROGRAM/LONG TERM INCENTIVE PROGRAM

SCHEDULE J, PART III, QUESTION 6

COMPENSATION FOR CERTAIN INDIVIDUALS IS EARNED AND ACCRUED BASED ON BOTH SHORT TERM AND LONG TERM INCENTIVE PROGRAMS.

THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS:

O QUALITY

O FINANCIAL

O PATIENT SATISFACTION

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

O INNOVATION & GROWTH

THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS:

O NET INCOME FROM OPERATIONS

O MARKET SHARE

O PATIENT SATISFACTION

O STRATEGIC OBJECTIVE

SUPPLEMENTAL NONQUALIFIED RETIREMENT PLANS

SCHEDULE J, PART I, QUESTION 4B

THE FOLLOWING INDIVIDUALS PARTICIPATE IN A SUPPLEMENTAL NONQUALIFIED RETIREMENT PLAN. THEIR TOTAL 2008 CONTRIBUTIONS TO THE NONQUALIFIED PLAN ARE REPORTED BELOW. THE SERP SPLIT DOLLAR AMOUNTS ARE INCLUDED IN THE

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

INDIVIDUAL'S 2008 COMPENSATION, REPORTED IN THE OTHER REPORTABLE COMPENSATION COLUMN ON SCHEDULE J-1. THE EXECUTIVE RETIREMENT STIPEND AMOUNTS ARE INCLUDED IN THE INDIVIDUAL'S 2008 COMPENSATION, REPORTED IN THE BONUS AND INCENTIVE COMPENSATION COLUMN.

SERP SPLIT DOLLAR LIFE INSURANCE:

GAIL COSTA	$3,327
THOMAS COURAGE	$6,202
MARK CREVIER	$5,839
PATRICE DIMARIO	$1,824
CONSTANCE HOWES	$4,374
MAYBELLE KERNAN	$2,258
JOHN SUTHERLAND	$2,731
MARILYN WALSH	$4,136

EXECUTIVE RETIREMENT STIPEND:

DEBRA PAUL	$49,174
KAREN DAVIE	$62,468

RIDOH 2337

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

DOMENIC DELMONICO $85,991

DEMOSTHENES ARGYS $92,481

RIDOH 2338

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
CONSTANCE A. HOWES	(i)	412,007.	176,340.	57,130.	118,117.	8,178.	771,772.	16,340.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DEMOSTHENES ARGYS	(i)	311,718.	224,670.	45,115.	16,856.	11,851.	610,210.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
KAREN DAVIE	(i)	187,791.	111,372.	26,446.	18,811.	11,583.	356,003.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
PAULA GILLETTE	(i)	211,993.	62,156.	18,819.	26,067.	10,094.	329,129.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
PATRICE DIMARIO	(i)	190,487.	65,671.	41,971.	86,302.	10,345.	394,776.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
ELIAS NEUJAHR	(i)	146,406.	34,500.	10,781.	9,099.	10,428.	211,214.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JAMES WATKINS	(i)	167,424.	41,625.	14,634.	13,443.	8,692.	245,818.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JOANNA M. CAIN, MD	(i)	159,146.	50,000.	7,613.	NONE	4,287.	221,046.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JAMES F. PADBURY, MD	(i)	330,178.	68,377.	42,002.	65,082.	9,540.	515,179.	19,237.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
WILLIAM LAWRENCE, MD	(i)	398,156.	67,930.	37,217.	NONE	11,091.	514,394.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
KAREN ROSENE-MONTELLA, MD	(i)	383,113.	65,532.	26,481.	NONE	3,617.	478,743.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
CORNELIUS GRANAI, MD	(i)	491,644.	86,310.	39,841.	NONE	9,293.	627,088.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
RAYMOND POWRIE, MD	(i)	280,847.	86,775.	34,513.	34,373.	7,232.	443,740.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DONALD R. COUSTAN, MD	(i)	494,123.	100,182.	41,732.	97,638.	11,681.	745,356.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JANET SCHIPPER	(i)	170,443.	43,948.	27,428.	40,591.	9,762.	292,172.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
THOMAS R. COURAGE	(i)	282,264.	141,073.	48,768.	84,150.	11,148.	567,403.	14,140.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE

SCHEDULE J-1
(Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Schedule J (Form 990)

▶ Attach to Form 990 to list additional information regarding compensation.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (Schedule J, Part II)

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in pnor Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
DOMENIC DELMONICO	(i)	215,602.	190,273.	35,871.	63,409.	10,089.	515,244.	10,558.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
GAIL COSTA	(i)	206,385.	91,444.	53,939.	89,623.	6,816.	448,207.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MAYBELLE KERNAN	(i)	200,672.	85,144.	25,094.	76,136.	9,963.	397,009.	9,427.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
MARK CREVIER	(i)	366,324.	108,873.	125,620.	142,579.	10,181.	753,577.	11,973.
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DEBRA M. PAUL, CPA, MBA	(i)	248,548.	126,518.	49,731.	52,084.	4,870.	481,751.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
DANIEL MICHAUD	(i)	150,333.	69,891.	49,731.	16,100.	7,924.	293,979.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
JACK SUTHERLAND	(i)	170,443.	43,948.	32,848.	40,591.	9,762.	297,592.	NONE
	(ii)	NONE	NONE	NONE	NONE	NONE	NONE	NONE
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule J-1 (Form 990) 2008

JSA
8E1293 1 000

RIDOH 2340

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

WOMEN & INFANTS HOSPITAL OF RI

Employer Identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
JOANNA M. CAIN, MD OB/GYNOCOLOGIST-IN-CHIEF	60.	X						216,759.	NONE	4,287.
JAMES F. PADBURY, MD PEDIATRICIAN-IN-CHIEF	60.	X						440,557.	NONE	74,622.
ROGER N. BEGIN DIRECTOR	5.	X						NONE	NONE	NONE
KATHLEEN COTE BOWLING, MD DIRECTOR	5.	X						300.	NONE	NONE
LISA G. CHURCHVILLE DIRECTOR	5.	X						NONE	NONE	NONE
SHARON CONRAD-WELLS DIRECTOR	5.	X						NONE	NONE	NONE
MARGARET D. FARRELL, ESQ. DIRECTOR	5.	X						NONE	NONE	NONE
JUSTICE ROBERT G. FLANDERS JR. (RET) VICE CHAIR	5.	X		X				NONE	NONE	NONE
WILLIAM F. HATFIELD DIRECTOR	5.	X						NONE	NONE	NONE
TAWFIK F. HAWWA, MD DIRECTOR	5.	X						NONE	NONE	NONE
STEPHEN P. LYNCH JR. DIRECTOR	5.	X						NONE	NONE	NONE
RAMON MARTINEZ DIRECTOR	5.	X						NONE	NONE	NONE
GINA RAIMONDO DIRECTOR	5.	X						NONE	NONE	NONE
CYNTHIA S. REED SECRETARY	5.	X		X				NONE	NONE	NONE
SERENA SPOSATO, MD DIRECTOR	5.	X						300.	NONE	NONE
ANNE SZOSTAK CHAIR	5.	X		X				NONE	NONE	NONE
TERRENCE CAHILL, MD PRESIDENT, MEDICAL STAFF ASSOC	5.	X						10,150.	NONE	NONE
SANTINA L. SIENA, MD PRES-ELECT MEDICAL STAFF ASSOC	5.	X						100.	NONE	NONE
FRED A. BROSCO, MD MEDICAL STAFF APPOINTED REP	5.	X						NONE	NONE	NONE
LEVI C. ADAMS HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
THOMAS P. DIMEO HONORARY TRUSTEE	5.	X						NONE	NONE	NONE

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

WOMEN & INFANTS HOSPITAL OF RI

Employer Identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
BENJAMIN P. HARRIS III HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
STANLEY LIVINGSTON JR. HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
HOWARD R. MERRIMAN JR. HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
KATHRYN PARSONS HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
HARRIS N. ROSEN HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
JEAN SEAMAN HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
WALTER C. TILLINGHAST HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
ROBINSON C. TROWBRIDGE HONORARY TRUSTEE	5.	X						NONE	NONE	NONE
DOUGLAS JACOBS VICE CHAIR & TREASURER	5.	X		X				NONE	NONE	NONE
KATHERINE F. MCKENZIE VICE CHAIR	5.	X		X				NONE	NONE	NONE
CONSTANCE A. HOWES EX-OFFICER, PRESIDENT/CEO	60.			X				645,477.	NONE	126,295.
DEMOSTHENES ARGYS EXECUTIVE VICE PRESIDENT/COO	60.			X				581,503.	NONE	28,707.
KAREN DAVIE SR. VP-PHILANTHROPY&GOVERNANCE	60.			X				325,609.	NONE	30,394.
PAULA GILLETTE SR VP-PATIENT CARE SERVICES	60.			X				292,968.	NONE	36,161.
PATRICE DIMARIO SR VP-PATIENT SUPPORT SERVICES	60.			X				298,129.	NONE	96,647.
ELIAS NEUJAHR VP, CLINICAL RESOURCES	60.			X				191,687.	NONE	19,527.
JAMES WATKINS VICE PRESIDENT FACULTY ENTERPR	60.			X				223,683.	NONE	NONE
CORNELIUS GRANAL, MD VICE PRESIDENT	60.			X				617,795.	NONE	9,293.
RAYMOND POWRIE, MD SR. VICE PRESIDENT, QUALITY	60.			X				402,135.	NONE	41,605.
JANET SCHIPPER DIRECTOR CLINICAL INFORMATICS	60.			X				241,819.	NONE	50,353.
THOMAS R. COURAGE VICE PRESIDENT/ASST SECRETARY	60.			X				472,105.	NONE	95,299.

RIDOH 2342

SCHEDULE J-2 (Form 990)

Department of the Treasury
Internal Revenue Service

Continuation Sheet for Form 990

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the Organization

WOMEN & INFANTS HOSPITAL OF RI

Employer Identification number

05-0258937

Part I Continuation of Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
DOMENIC DELMONICO SR. VP CONTRACTING- CNE	60.			X				441,746.	NONE	73,498.
GAIL COSTA SR VP, PLANNING -CNE	60.			X				351,768.	NONE	96,439.
MAYBELLE KERNAN VP-MARKETING&PUBLIC RELATIONS	60.			X				310,910.	NONE	86,099.
DEBRA M. PAUL, CPA, MBA SR VP & CFO/ASST TREASURER	60.			X				424,797.	NONE	56,954.
DANIEL MICHAUD VP, HUMAN RESOURCES	60.			X				269,955.	NONE	24,024.
JACK SUTHERLAND PRES- W&I INDEMNITY, LTD	60.			X				247,239.	NONE	NONE
WILLIAM LAWRENCE, MD CHIEF OF STAFF	60.					X		503,303.	NONE	NONE
KAREN ROSENE-MONTELLA, MD PHYSICIAN	60.					X		475,126.	NONE	NONE
DONALD R. COUSTAN, MD PHYSICIAN	60.					X		636,037.	NONE	NONE
MARK CREVIER PRESIDENT & CEO KENT HOSPITAL	60.					X		600,817.	NONE	152,760.

RIDOH 2343

SCHEDULE L
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Transactions With Interested Persons

▶ Attach to Form 990 or Form 990-EZ.
▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a, 25b, 26, 27, 28a, 28b, or 28c, or Form 990-EZ, Part V, lines 38b or 40b.

OMB No. 1545-0047

2008

Open To Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Excess Benefit Transacations (section 501(c)(3) and section 501(c)(4) organizations only).
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 25a or 25b, or Form 990-EZ, Part V, line 40b.

1 (a) Name of disqualified person	(b) Description of transaction	(c) Corrected? Yes	(c) Corrected? No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ $

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ $

Part II Loans to and/or From Interested Persons.
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a.

(a) Name of interested person and purpose	(b) Loan to or from the organization? To	(b) From	(c) Original principal amount	(d) Balance due	(e) In default? Yes	(e) No	(f) Approved by board or committee? Yes	(f) No	(g) Written agreement? Yes	(g) No
Total . . . . . ▶ $										

Part III Grants or Assistance Benefitting Interested Persons.
To be completed by organizations that answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.
To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues? Yes	(e) No
SEE STATEMENT 3					

SCHEDULE M (Form 990)

Department of the Treasury
Internal Revenue Service

Non-Cash Contributions

▶ To be completed by organizations that answered "Yes" on Form 990, Part IV, lines 29 or 30.
▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open To Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Types of Property

		(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1	Art-Works of art				
2	Art-Historical treasures				
3	Art-Fractional interests				
4	Books and publications				
5	Clothing and household goods	X		157,337.	OTHER
6	Cars and other vehicles				
7	Boats and planes				
8	Intellectual property				
9	Securities-Publicly traded				
10	Securities-Closely held stock				
11	Securities-Partnership, LLC, or trust interests				
12	Securities-Miscellaneous				
13	Qualified conservation contribution (historic structures)				
14	Qualified conservation contribution (other)				
15	Real estate-Residential				
16	Real estate-Commercial				
17	Real estate-Other				
18	Collectibles				
19	Food inventory	X	1	290,000.	COST/SELLING PRICE
20	Drugs and medical supplies				
21	Taxidermy				
22	Historical artifacts				
23	Scientific specimens				
24	Archeological artifacts				
25	Other ▶(_____)				
26	Other ▶(_____)				
27	Other ▶(_____)				
28	Other ▶(_____)				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement 29

			Yes	No
30a	During the year, did the organization receive by contribution any property reported in Part I, line 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?	30a		X
b	If "Yes," describe the arrangement in Part II.			
31	Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?	31	X	
32a	Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?	32a	X	
b	If "Yes," describe in Part II.			
33	If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.			

Part II **Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

NONCASH GIFTS

SCHEDULE M, PART I, QUESTION 30A

THE HOSPITAL USES THE SERVICES OF MERRILL LYNCH FOR DONATIONS OF STOCK.

RIDOH 2346

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

OFFICER, DIRECTOR, TRUSTEE, OR KEY EMPLOYEE RELATIONSHIPS

FORM 990, PART VI, QUESTION 2

KATHLEEN COTE BOWLING, MD AND SERENA SPOSATO, MD ARE PARTNERS IN THE SAME MEDICAL PRACTICE.

RIDOH 2347

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

DESCRIPTION OF SIGNIFICANT CHANGES TO ORGANIZING OR ENABLING DOCUMENT

FORM 990, PART VI, QUESTION 4

THE FOLLOWING CHANGES WERE MADE TO THE BY-LAWS: (1) THE AMOUNT REQUIRING A BOARD VOTE WAS INCREASED FOR THE FOLLOWING - THE EXECUTION OF ANY CONTRACT OR ENGAGEMENT WHERE ADDITIONAL FUNDS INVOLVED WAS INCREASED FROM $250,000 TO $500,000; THE EXECUTIION OF REAL ESTATE TRANSACTIONS WAS INCREASED FROM $100,000 TO $500,000; AND THE EXECUTION OF DEBT AND THE MAKING OF LOANS OR ADVANCES WAS INCREASED FROM $100,000 TO $500,000. (2) VACANCIES - THE BOARD CAN NOT HAVE LESS THAN 16 MEMBERS DUE TO VACANCIES. THIS WAS CHANGED FROM 19 MEMBERS. (3) THE NOTICE OF MEETINGS WAS CHANGED FROM 3 DAYS TO 5 DAYS. (4) THE STANDING AND SPECIAL COMMITTEE NAMES WERE UPDATED AND SOME ELIMINATED OR COMBINED WITH OTHER COMMITTEES. (5) ARTICLE IX, MEDICAL STAFF HAD MANY WORDING CHANGES, PRIMARILY "RULES AND REGULATIONS" WAS CHANGED TO "BY-LAWS" AND THE TERMS FOR MEDICAL STAFF OFFICERS WAS CHANGED TO 2 YEARS FROM 1 YEAR.

RIDOH 2348

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

CORPORATE GOVERNANCE

FORM 990, PART VI, QUESTION 6

CARE NEW ENGLAND HEALTH SYSTEM HAS CORPORATE GOVERNANCE OVER WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND IS THE SOLE CORPORATE MEMBER.

RIDOH 2349

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

MEMBERS/STOCKHOLDERS WHO MAY ELECT ONE OR MORE MEMBERS OF GOV BODY

FORM 990, PART VI, QUESTION 7A

ARTICLE II

BOARD OF TRUSTEES

SECTION 1. COMPOSITION AND ELECTION OF BOARD OF TRUSTEES. THE BOARD OF TRUSTEES SHALL CONSIST OF THE PRESIDENT AND THE PRESIDENT OF THE MEDICAL STAFF, EX OFFICIOS, AND NOT LESS THAN EIGHT (8) NOR MORE THAN TWENTY-THREE (23) ELECTED TRUSTEES, ONE (1) TO BE ELECTED BY THE INDIVIDUAL MEMBERS, AT THE ANNUAL MEETING OF THE CORPORATION IN EACH YEAR AND THE REMAINDER TO BE ELECTED BY THE CORPORATE MEMBER. BEGINNING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2007, THE ELECTED TRUSTEES SHALL BE DIVIDED INTO THREE (3) CLASSES, EACH OF WHICH WILL INCLUDE ONE (1) OF THE THREE (3) MEMBERS TO BE ELECTED BY THE INDIVIDUAL MEMBERS AND THE REMAINDER OF WHICH WILL BE DIVIDED IN WHATEVER MANNER WILL BEST APPROXIMATE ONE THIRD OF THE TRUSTEES TO BE ELECTED BY THE CORPORATE MEMBER AND BEST ALLOW TRUSTEES WHOSE TERMS DO NOT EXPIRE AT SAID ANNUAL MEETING TO CONTINUE THEIR CURRENT TERM UNTIL ITS EXPIRATION; THE FIRST SUCH CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2008, THE SECOND CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2009, AND THE THIRD CLASS TO SERVE A TERM ENDING ON THE DATE OF THE ANNUAL MEETING OF THE CORPORATION HELD IN JANUARY 2010. THEREAFTER, ELECTED TRUSTEES SHALL BE ELECTED FOR A THREE (3) YEAR TERM.

RIDOH 2350

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

APPROVAL BY MEMBERS, STOCKHOLDERS OR OTHER PERSONS

FORM 990, PART VI, QUESTION 7B

ARTICLE II

RIGHTS OF CORPORATE MEMBER

SECTION 2.01. RESERVED POWERS. NOTWITHSTANDING THE FOREGOING PARAGRAPH, THE AUTHORITY OF THE BOARD OF TRUSTEES OF THE CORPORATION TO EXERCISE THE FOLLOWING POWERS IS CONDITIONED UPON OBTAINING THE PRIOR OR SUBSEQUENT APPROVAL OF THE CORPORATE MEMBER:

(A) APPROVAL OR MODIFICATION OF THE VISION STATEMENT, MISSIONS, OBJECTIVES OR ANY STRATEGIC PLAN OF THE CORPORATION, THE HOSPITAL OR ANY ENTITY THAT DIRECTLY OR INDIRECTLY THROUGH ONE OR MORE INTERMEDIARIES, IS CONTROLLED BY THE CORPORATION ("AFFILIATE");

(B) MERGER, CONSOLIDATION, COMBINATION OR AFFILIATION OF THE CORPORATION OR ANY AFFILIATE WITH OR INTO ANY OTHER ENTITY;

(C) SALE, PLEDGE, ENCUMBRANCE, DONATION, ABANDONMENT OR OTHER DISPOSITION OF ALL OR SUBSTANTIALLY ALL OF THE REAL PROPERTY OR ASSETS OF THE CORPORATION OR ANY AFFILIATE;

(D) ACQUISITION BY THE CORPORATION OR ANY AFFILIATE OF ANOTHER ORGANIZATION WHETHER THROUGH MERGER, CONSOLIDATION, COMBINATION, STOCK OR ASSET TRANSFER OR ANY OTHER MEANS;

(E) ANY OTHER CHANGE IN CONTROL OF THE CORPORATE MEMBER OF ANY AFFILIATE;

(F) APPROVAL OF THE OPERATING AND CAPITAL BUDGETS FOR THE CORPORATION AND ANY AFFILIATE;

(G) ESTABLISHMENT, TERMINATION OR RELOCATION (OTHER THAN TO A DIFFERENT LOCATION ON THE SAME CAMPUS) OF ANY MAJOR CLINICAL

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

SERVICES AT THE HOSPITAL OR ANY OTHER AFFILIATE;

(H) INCURRENCE OR GUARANTEE OF ANY INDEBTEDNESS, MORTGAGE, OR PLEDGES BY OR THE MAKING OF ANY LOANS OR ANY ADVANCES TO OR INVESTMENTS IN ANY PERSON OR ENTITY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(I) INCURRENCE OF ANY UNBUDGETED EXPENDITURE IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(J) ENTERING INTO ANY CONTRACTS OR AGREEMENTS FOR THE SALE, LEASE, EXCHANGE OR OTHER DISPOSITION OR ACQUISITION OF REAL PROPERTY IN EXCESS OF FIVE HUNDRED THOUSAND DOLLARS ($500,000) BY THE CORPORATION OR ANY AFFILIATE;

(K) FILING WITH REGULATORY AUTHORITIES BY THE CORPORATION OR ANY AFFILIATE OF ANY APPLICATION FOR A CERTIFICATE OF NEED OR ANY LONG AND SHORT RANGE PLANS;

(L) VOLUNTARILY FILING FOR BANKRUPTCY OR RECEIVERSHIP OR ANY SIMILAR PROCEEDING UNDER ANY FEDERAL OR STATE LAW ON THE PART OF THE CORPORATION OR ANY AFFILIATE;

(M) FORMING OR DISSOLVING ANY AFFILIATE;

(N) APPROVING OR CONSENTING TO ANY AMENDMENT TO THE ARTICLES OF INCORPORATION OR CHARTER OR BYLAWS OF THE CORPORATION OR ANY AFFILIATE.

RIDOH 2352

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

DESCRIBE THE PROCESS USED BY MANAGEMENT &/OR GOVERNING BODY TO REVIEW 990 FORM 990, PART VI, QUESTION 10

THE FORM 990 IS PREPARED AND REVIEWED BY OUR PUBLIC ACCOUNTING FIRM, ERNST & YOUNG. DURING THAT PROCESS IT IS PROVIDED TO CERTAIN MEMBERS OF MANAGEMENT FOR REVIEW. THE ASSOCIATE VICE PRESIDENT OF FINANCE AND THE CORPORATE FINANCE OFFICER CONDUCT THE INITIAL MANAGEMENT REVIEW. THE COMPLETED FORM 990 AND RESPECTIVE SCHEDULES (A THRU R EXCEPT SCHEDULE J) IS PRESENTED BY THE ASSOCIATE VICE PRESIDENT OF FINANCE TO THE FINANCE COMMITTEE FOR REVIEW AND COMMENT. THE CORPORATE FINANCE OFFICE PRESENTS SCHEDULE J TO THE COMPENSATION COMMITTEE FOR REVIEW AND COMMENT. A COMPLETE AND ACCURATE COPY OF THE FORM 990 IS THEN PROVIDED TO THE BOARD OF DIRECTORS PRIOR TO THE FILING OF THE FORM WITH THE INTERNAL REVENUE SERVICE.

RIDOH 2353

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

DESCRIPTION OF PROCESS TO MONITOR TRANSACTIONS FOR CONFLICTS OF INTEREST

FORM 990, PART VI, QUESTION 12C

WIHRI HAS ADOPTED CNE'S CONFLICT OF INTEREST POLICY. POTENTIAL CONFLICTS OF INTEREST INVOLVING DIRECTORS, OFFICERS, AND MEMBERS OF COMMITTEES ARE IDENTIFIED AND ADDRESSED IN ORDER TO ASSURE THAT THE CORPORATION IS TREATED FAIRLY IN ALL ITS BUSINESS DEALINGS. INDIVIDUALS HAVING CONFLICTS MUST DISCLOSE TO THE BOARD OR COMMITTEE PRIOR TO CONSIDERATION OF A TRANSACTION OR ARRANGEMENT THAT A CONFLICT WILL EXIST. APPROVAL OF ANY TRANSACTIONS OR ARRANGEMENTS THAT INVOLVES A CONFLICT REQUIRES A CONSENSUS OF DISINTERESTED PERSONS BY VOTE. THE BOARD TAKES DISCIPLINARY AND/OR CORRECTIVE ACTION AS NECESSARY TO PROTECT THE INTERESTS OF THE CORPORATION. MINUTES ARE MAINTAINED. ANNUALLY, A COPY OF THE CONFLICT OF INTEREST POLICY IS DISTRIBUTED TO EACH DIRECTOR, OFFICER AND COMMITTEE MEMBER AND EACH PERSON ACKNOWLEDGES IN WRITING RECEIPT, UNDERSTANDING AND COMPLIANCE WITH THE POLICY. ONGOING ACTUAL AND/OR POTENTIAL CONFLICTS ARE IDENTIFIED AND DISCLOSED TO THE BOARD AT LEAST ANNUALLY.

RIDOH 2354

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

OFFICES & POSITIONS FOR WHICH PROCESS WAS USED, & YEAR PROCESS WAS BEGUN

FORM 990, PART VI, QUESTION 15A AND 15B

THE BOARD OF TRUSTEES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND (WIH) HAS A COMMITTEE OF TRUSTEES KNOWN AS THE WIH COMPENSATION COMMITTEE (THE COMMITTEE). THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR WIH EXECUTIVES AND KEY PHYSICIANS. THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS.

PURPOSE

THE COMMITTEE'S PURPOSE IS TO ASSIST THE BOARD IN DEVELOPING AND IMPLEMENTING COMPENSATION STRATEGIES, POLICIES AND PLANS THAT WILL ENHANCE THE HOSPITAL'S ABILITY TO ATTRACT AND RETAIN SKILLED EXECUTIVE OFFICERS, PHYSICIANS, OFFICERS AND EMPLOYEES.

DUTIES AND RESPONSIBILITIES

EXECUTIVE AND KEY PHYSICIAN COMPENSATION:

O REVIEW AND APPROVE GOALS AND OBJECTIVES FOR THE PRESIDENT AND CHIEF EXECUTIVE OFFICER (THE "CEO") OF THE HOSPITAL. SUCH REVIEW SHALL BE DONE IN CONJUNCTION WITH THE CEO OF CARE NEW ENGLAND (CNE).

O MAKE A RECOMMENDATION AS TO THE COMPENSATION FOR THE CEO TO THE COMPENSATION COMMITTEE OF THE BOARD OF DIRECTORS OF CNE (THE "CNE COMPENSATION COMMITTEE") CONSIDERING THE PERFORMANCE BY THE CEO RELATIVE TO GOALS AND OBJECTIVES.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

O CONDUCT AN ANNUAL EVALUATION OF THE PERFORMANCE OF THE CEO, WHICH EVALUATION PROCESS SHALL INCLUDE AN OPPORTUNITY FOR INPUT BY INDIVIDUAL TRUSTEES. THE SUBSTANCE OF SUCH EVALUATION SHALL BE REPORTED TO THE BOARD. THE RECOMMENDATION OF THE COMMITTEE WITH RESPECT TO THE COMPENSATION AND BENEFITS OF THE CEO SHALL BE REPORTED TO THE BOARD SITTING IN EXECUTIVE SESSION, INCLUDING BOTH ELECTED AND EX-OFFICIO TRUSTEES, EXCEPT FOR THOSE TRUSTEES WHO ARE EMPLOYEES OF THE HOSPITAL. FOLLOWING PRESENTATION OF THE FOREGOING REPORT TO THE BOARD, FINAL DECISION REGARDING SUCH COMPENSATION AND BENEFITS SHALL BE MADE BY THE CEO OF CNE WHICH FINAL DECISION, IF AT VARIANCE FROM THE RECOMMENDATION OF THE COMMITTEE, SHALL BE MADE AFTER CONSULTATION WITH THE BOARD.

O ASSIST THE BOARD BY PROVIDING OVERSIGHT REGARDING THE REASONABLENESS OF THE TOTAL COMPENSATION AND BENEFITS ARRANGEMENTS FOR SENIOR EXECUTIVES AND KEY PHYSICIANS.

O REVIEW ANY EXECUTIVE AND KEY PHYSICIAN COMPENSATION FOR COMPLIANCE WITH ALL LEGAL REQUIREMENTS RELATING TO COMPENSATION AND IN A MANNER THAT ALIGNS WITH THE REBUTTABLE PRESUMPTION OF REASONABLENESS UNDER THE "INTERMEDIATE SANCTIONS" REGULATIONS OF THE INTERNAL REVENUE SERVICE, AS SUCH MAY BE IN EFFECT FROM TIME TO TIME. SUCH REVIEW MAY INCLUDE, WITHOUT LIMITATION, COMPONENTS OF COMPENSATION SUCH AS STANDARD CONTRACT PROVISIONS, BASE SALARY, INCENTIVE PAYMENTS, BENEFITS AND SEVERANCE AGREEMENTS.

COMPENSATION STRATEGY AND PLANS:

O PERIODICALLY REVIEW THE COMPENSATION STRATEGY, PLANS AND PROGRAMS OF THE HOSPITAL AND CNE AS THEY RELATE TO EXECUTIVES AND KEY PHYSICIANS.

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

PROVIDE GUIDANCE WITH RESPECT TO GENERAL COMPENSATION GOALS AND OPERATING PRINCIPLES RELATING TO HOSPITAL EMPLOYEES IN GENERAL.

O PERIODICALLY REVIEW RELEVANT COMPARATIVE DATA TO ASSESS THE HOSPITAL'S COMPENSATION PRACTICES, INCLUDING SALARY LEVELS, IN COMPARISON TO COMPENSATION PRACTICES OF APPROPRIATE, COMPARABLE INSTITUTIONS THAT MAY BE DETERMINED FROM TIME TO TIME.

O PERIODICALLY REVIEW ALL SIGNIFICANT BENEFIT PLANS THAT APPLY TO HOSPITAL EMPLOYEES GENERALLY.

PERSONNEL REVIEW

O THE COMMITTEE SHALL REVIEW, AND APPROVE, AS THEY DEEM APPROPRIATE, ANY PERSONNEL POLICY OR PROCEDURE MATTERS AS RECOMMENDED BY THE CEO, THE BOARD OR CNE.

O AT LEAST ANNUALLY, THE COMMITTEE SHALL REVIEW ANY REQUIRED SUBMISSION TO THE JOINT COMMISSION WITH RESPECT TO PERSONNEL DATA, PROCEDURES OR OTHER MATTERS.

GENERAL

O PERFORM ANY OTHER DUTIES AND RESPONSIBILITIES AS THE BOARD MAY DEEM NECESSARY, ADVISABLE OR APPROPRIATE FOR THE COMMITTEE TO PERFORM.

O PERFORM SUCH OTHER DUTIES AND RESPONSIBILITIES AS THE COMMITTEE DEEMS APPROPRIATE TO CARRY OUT ITS PURPOSE AS PROVIDED IN ITS CHARTER.

O REPORT ON A REGULAR BASIS, BUT NO LESS FREQUENTLY THAN ANNUALLY, TO THE BOARD.

RIDOH 2357

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

RESOURCES AND AUTHORITY OF THE COMMITTEE

O THE COMMITTEE SHALL HAVE THE RESOURCES AND AUTHORITY APPROPRIATE TO DISCHARGE ITS DUTIES AND RESPONSIBILITIES, INCLUDING THE SOLE AUTHORITY TO SELECT, RETAIN, TERMINATE AND APPROVE THE ENGAGEMENT AND OTHER RETENTION TERMS OF SPECIAL COUNSEL OR OTHER EXPERTS OR CONSULTANTS, AS IT DEEMS APPROPRIATE. THE COMMITTEE MAY DELEGATE ITS FUNCTIONS TO OTHERS AS IT MAY DETERMINE FROM TIME TO TIME, AND MAY UTILIZE ANY OTHER RESOURCES IT DEEMS NECESSARY TO CARRY OUT ITS DUTIES AND RESPONSIBILITIES.

MEMBERSHIP

THE COMMITTEE WILL INCLUDE AT LEAST THREE (3) MEMBERS OF THE BOARD OF TRUSTEES OF THE HOSPITAL OR THE BOARD OF DIRECTORS OF THE CORPORATE MEMBER, ONE OF WHOM SHALL SERVE AS THE CHAIRMAN. IF THE CHAIRMAN OF THE BOARD IS NOT A MEMBER OF SAID COMMITTEE, SAID OFFICER MAY ATTEND MEETINGS OF THE COMMITTEE AS A GUEST. ALL MEMBERS OF THE COMMITTEE SHALL BE "INDEPENDENT", AS SAID TERM IS DEFINED BY RESOLUTION OR RESOLUTIONS ADOPTED FROM TIME TO TIME BY THE BOARD, AND AS SUCH RESOLUTIONS MAY BE AMENDED FROM TIME TO TIME. THE CHIEF EXECUTIVE OFFICER OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") MAY ALSO PARTICIPATE IN THE DELIBERATIONS OF SUCH COMMITTEE.

ALL NOMINATIONS FOR COMMITTEE CHAIRS, VICE CHAIRS, CO-CHAIRS AND MEMBERS WILL BE PRESENTED TO THE GOVERNANCE & NOMINATING COMMITTEE FOR REVIEW AND

RIDOH 2358

Name of the organization: WOMEN & INFANTS HOSPITAL OF RI

Employer identification number: 05-0258937

APPROVAL.

MEETINGS

O MEETINGS ARE HELD FOUR TIMES A YEAR.

O ONE-THIRD (1/3) OF MEMBERS OF THE FULL COMMITTEE SHALL CONSTITUTE A QUORUM AND THE VOTE OF THE MAJORITY OF THE MEMBERS PRESENT AND VOTING AT A MEETING AT WHICH A QUORUM IS PRESENT SHALL BE NECESSARY TO TRANSACT BUSINESS.

O MINUTES OF EACH MEETING WILL BE PREPARED BY STAFF AND APPROVED BY THE COMMITTEE AT A SUBSEQUENT MEETING.

RIDOH 2359

Name of the organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

AVAIL OF GOV DOCS, CONFLICT OF INTEREST POLICY, & FIN STMTS TO GEN PUBLIC

FORM 990, PART VI, QUESTION 19

WOMEN & INFANT'S HOSPITAL OF RHODE ISLAND'S CORPORATE DOCUMENTS, CONFLICT OF INTEREST POLICY AND FINANCIAL STATEMENTS ARE MADE AVAILABLE TO THE PUBLIC BY MAIL UPON WRITTEN REQUEST.

RIDOH 2360

Name of the organization	Employer identification number
WOMEN & INFANTS HOSPITAL OF RI	05-0258937

FINANCIAL STATEMENTS

FORM 990, PART XI, QUESTION 2

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND'S FINANCIAL STATEMENTS ARE INCLUDED IN THE CARE NEW ENGLAND HEALTH SYSTEM & AFFILIATES ("CNE") CONSOLIDATED FINANCIAL STATEMENTS. THE CNE CONSOLIDATED FINANCIAL STATEMENTS ARE AUDITED BY AN INDEPENDENT ACCOUNTANT AND THE CONSOLIDATED AUDIT IS REVIEWED BY THE CARE NEW ENGLAND AUDIT COMMITTEE.

RIDOH 2361

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

WOMEN & INFANTS HOSPITAL OF RI

Employer identification number

05-0258937

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity
W&I ANCILLARY SERVICES, INC 20-0222992 300 RICHMOND STREET PROVIDENCE, RI 02903	HEALTH CARE	RI	NONE	NONE	WIHRI

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
SEE SCHEDULE R-1					

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2008

JSA
8E1307 1.000

RIDOH 2362

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
W&I INDEMNITY, LTD 98-0159342 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	WIH	C	18,596,672.	84,641,140.	100.0000
TOLL GATE INDEMNITY, LTD 34-2028514 23 LIME TREE BAY AVE, PO BOX 1051 KY1-11 GRAND CAYMAN, CA	INSURANCE	CJ	KCMH	C			

Part V Transactions With Related Organizations

		Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV.			
1 During the tax year did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity	1a		X
b Gift, grant, or capital contribution to other organization(s)	1b		X
c Gift, grant, or capital contribution from other organization(s)	1c		X
d Loans or loan guarantees to or for other organization(s)	1d		X
e Loans or loan guarantees by other organization(s)	1e		X
f Sale of assets to other organization(s)	1f		X
g Purchase of assets from other organization(s)	1g		X
h Exchange of assets	1h		X
i Lease of facilities, equipment, or other assets to other organization(s)	1i		X
j Lease of facilities, equipment, or other assets from other organization(s)	1j	X	
k Performance of services or membership or fundraising solicitations for other organization(s)	1k		X
l Performance of services or membership or fundraising solicitations by other organization(s)	1l		X
m Sharing of facilities, equipment, mailing lists, or other assets	1m		X
n Sharing of paid employees	1n	X	
o Reimbursement paid to other organization for expenses	1o	X	
p Reimbursement paid by other organization for expenses	1p	X	
q Other transfer of cash or property to other organization(s)	1q	X	
r Other transfer of cash or property from other organization(s)	1r		X

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
(1) SEE SCHEDULE R-1		
(2)		
(3)		
(4)		
(5)		
(6)		

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See Instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V-UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 2365

Part II **Continuation of Identification of Related Tax-Exempt Organizations**

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
BUTLER HOSPITAL 05-0258812 345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906	HOSPITAL	RI	501(C)(3)	3	N/A
HEALTHTOUCH, INC. 05-0514949 51 HEALTH LANE WARWICK, RI 02886	HEALTH CARE	RI	501(C)(3)	9	KCVNA
KENT HOSPITAL FOUNDATION 05-0514640 455 TOLL GATE ROAD WARWICK, RI 02886	SUPPORT ORG	RI	501(C)(3)	11-TYPE I	KCMH
KENT COUNTY MEMORIAL HOSPITAL 05-0258896 455 TOLL GATE ROAD WARWICK, RI 02886	HOSPITAL	RI	501(C)(3)	3	N/A
KENT COUNTY VISITING NURSE ASSOC. 05-0242659 51 HEALTH LANE WARWICK, RI 02886	VISITING NUR	RI	501(C)(3)	7	N/A
PALOMAR GROUP, INC. 05-0462378 300 RICHMOND STREET PROVIDENCE, RI 02903	PARKING FAC	RI	501(C)(3)	9	WIC
WIH FACULTY PHYSICIANS, INC. 04-3579432 67 BRIGHAM STREET NEW BEDFORD, MA 02740	HEALTH CARE	MA	501(C)(3)	9	WIH
WOMEN & INFANTS CORPORATION 02-2885807 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	N/A
WOMEN & INFANTS DEVELOPMENT FOUNDATION 22-2885815 300 RICHMOND STREET PROVIDENCE, RI 02903	SUPPORT ORG	RI	501(C)(3)	11-TYPE III	WIC
CARE NEW ENGLAND HEALTH SYSTEM 05-0490997 45 WILLARD AVENUE PROVIDENCE, RI 02905	HOLDING CO	RI	501(C)(3)	11-TYPE III	N/A

Part III Continuation of Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) Disproportionate allocations? No	(I) Code V-UBI amount on box 20 of K-1	(J) General or managing partner? Yes	(J) General or managing partner? No

JSA
8E1313 1.000

RIDOH 2367

Part IV Continuation of Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership

Part V **Continuation of Transactions With Related Organizations** (Schedule R (Form 990), Part V, line 2)

(A) Name of other organization	(B) Transaction type (a-r)	(C) Amount involved
(7) WOMEN & INFANTS CORPORATION (RENT)	J	-637,438.
(8) WOMEN & INFANTS CORPORATION (ACCOUNTING SVCS)	N	63,658.
(9) W&I INDEMNITY, LTD (INSURANCE PREMIUMS PAID)	Q	-12,916,487.
(10) BUTLER HOSPITAL	N	-461,455.
(11) BUTLER HOSPITAL	O	-47,449.
(12) BUTLER HOSPITAL	P	158,445.
(13) KENT COUNTY VNA D/B/A VNA OF CNE	N	15,536.
(14) KENT COUNTY VNA D/B/A VNA OF CNE	P	75,128.
(15) KENT COUNTY MEMORIAL HOSPITAL	N	241,888.
(16) KENT COUNTY MEMORIAL HOSPITAL	O	-492,103.
(17) KENT COUNTY MEMORIAL HOSPITAL	P	411,119.
(18)		
(19)		
(20)		
(21)		
(22)		
(23)		
(24)		

FORM 990, PART III, LINE 1 - ORGANIZATION'S MISSION

WOMEN & INFANTS HOSPITAL, A TEACHING HOSPITAL OF THE WARREN ALPERT SCHOOL OF MEDICINE AT BROWN UNIVERSITY, IS COMMITTED TO IMPROVING HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY.

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

NAME AND ADDRESS	DESCRIPTION OF SERVICES	COMPENSATION
ANSHEN AND ALLEN, INC. 711 ATLANTIC AVENUE BOSTON, MA 02109	ARCHITECTURAL SVCS	1,323,589.
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LINEN & LAUNDRY SVCS	754,116.
MAYO COLLABORATIVE SERVICES PO BOX 4100 ROCHESTER, MN 55903	LAB SERVICES	738,988.
NOW DELIVERY PO BOX 6945 PROVIDENCE, RI 02940	LAB COURIER SERVICES	699,877.
UNIVERSITY SURGICAL ASSOCIATES 200 METRO CENTER WARWICK, RI 02886	PROFESSIONAL SVCS	673,123.
	TOTAL COMPENSATION	4,189,693.

SCHEDULE L, PART IV

(A) NAME OF INTERESTED PERSON	(B) RELATIONSHIP	(C) AMOUNT	(D) DESCRIPTION OF TRANSACTION	(E) YES NO
KATHLEEN COTE BOWLING, MD	DIRECTOR	16,482.	HOSPITAL LEASES SPACE FROM	X
KATHLEEN COTE BOWLING, MD	DIRECTOR	21,093.	LEASES SPACE FROM HOSPITAL	X
FRED BROSCO, MD	DIRECTOR	26,422.	MED PRACTICE LEASES SPACE FROM	X
LISA CHURCHVILLE	DIRECTOR		MGR WJAR-CARRIES HOSP ADVERT'S	X
MARGARET D. FARRELL	DIRECTOR	258,483.	PARTNER IN FIRM-LEGAL SERVICES	X
ROBERT G. FLANDERS	DIRECTOR	258,483.	PARTNER IN FIRM-LEGAL SERVICES	X
WILLIAM HATFIELD	DIRECTOR	350,870.	EE OF BANK - HOLDS HOSP ACCTS	X
TAWFIK F. HAWWA, MD	DIRECTOR	32,088.	MED PRACTICE LEASES SPACE FROM	X
CONSTANCE A. HOWES	PRESIDENT/CEO	453,707.	SPOUSE PTNR IN FIRM-LEGAL SVCS	X
DEBRA M. PAUL	SENIOR VICE PRESIDENT/CFO	10,340.	ON COMMITTEE CU-LEASES SPACE	X
CYNTHIA REED	DIRECTOR	42,753.	SPOUSE PTNR IN FIRM-LEGAL SVCS	X

Southeastern Healthcare System Inc. Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 2375
Southeastern Healthcare System Inc. Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 2399
Southeastern Healthcare System Inc. Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 2411
MHRI Form 990 for the year 10/01/2010 – 9/30/2011	RIDOH 2424
MHRI Form 990 for the year 10/01/2009 – 9/30/2010	RIDOH 2474
MHRI Form 990 for the year 10/01/2008 – 9/30/2009	RIDOH 2515

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01 , 2010, and ending 09/30 , 20 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization SOUTHEASTERN HEALTHCARE SYSTEM INC

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

111 Brewster Street

City or town, state or country, and ZIP + 4

Pawtucket, RI 02860-4499

D Employer identification number 06-1476858

E Telephone number 401-729-2000

G Gross receipts $ 816

F Name and address of principal officer: Arthur DeBlois III

111 Brewster Street, Pawtucket, RI 02860

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.mhri.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1996

M State of legal domicile: RI

Part I Summary

1 Briefly describe the organization's mission or most significant activities: Develop and maintain an integrated healthcare system

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	17
5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	5	0
6	Total number of volunteers (estimate if necessary)	6	0
7a	Total unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
8	Contributions and grants (Part VIII, line 1h)	0	0
9	Program service revenue (Part VIII, line 2g)	0	0
10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	6	816
11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	0	0
12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	6	816
13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	0	0
16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 0		
17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	36	0
18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	36	0
19	Revenue less expenses. Subtract line 18 from line 12	-30	816

		Beginning of Current Year	End of Year
20	Total assets (Part X, line 16)	527,132	527,948
21	Total liabilities (Part X, line 26)	0	0
22	Net assets or fund balances. Subtract line 21 from line 20	527,132	527,948

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date 5/22/12

▶ Arthur DeBlois III, President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ — Firm's EIN ▶

Firm's address ▶ — Phone no.

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

RIDOH 2375

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:

Develop and maintain an integrated healthcare system

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 0 including grants of $ 0) (Revenue $ 0)

Health Care Delivery & Management: To operate for the benefit of and to support the operations of The Memorial Hospital of Rhode Island and its affiliated corporations (0 Patients)

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 0

RIDOH 2376

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4		✓
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10		✓
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a		✓
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b		✓
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e		✓
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a		✓
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b		

RIDOH 2377

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23		✓
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a		✓
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		✓
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☑ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36		✓
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

RIDOH 2378

Part V **Statements Regarding Other IRS Filings and Tax Compliance**

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	0		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?		1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	0		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .		2b		
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file*. (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?		3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*		3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?		4a		✓
b	If "Yes," enter the name of the foreign country: ▶ ---------- See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .		5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?		5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?		5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?		6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?		6b		
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?		7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?		7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?		7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?		7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .		7f		
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?		7g		
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?		7h		
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?		8		
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?		9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?		9b		
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?		12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?		13a		
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?		14a		✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* .		14b		

RIDOH 2379

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

				Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . .	1a	17		
b	Enter the number of voting members included in line 1a, above, who are independent .	1b	17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?		2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .		3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?		4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .		5		✓
6	Does the organization have members or stockholders?		6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?		7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?		7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:				
a	The governing body?		8a	✓	
b	Each committee with authority to act on behalf of the governing body?		8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*		9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? .	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☑ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Martin Tursky, (401)729-2000

111 Brewster Street, PAwtucket, RI 02860-4499

RIDOH 2380

Part VII **Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Patrick J Murray Assistant Treasurer	0.25	✓		✓				0	0	0
Robert Andrade Vice Chairman	0.25	✓		✓				0	0	0
Arthur Deblois III President	0.25	✓						0	0	0
Francis R Dietz Former President	0.25	✓		✓				0	0	0
Gary Furtado Board Member	0.25	✓						0	0	0
John Partridge Board Member	0.25	✓						0	0	0
Edna Poulin Secretary	0.25	✓		✓				0	0	0
Karl Sherry Board Member	0.25	✓						0	0	0
Greg Scown Board Member	0.25	✓						0	0	0
Alfred Degen Board Member	0.25	✓						0	0	0
William Kapos Treasurer	0.25	✓		✓				0	0	0
Robert Mackenzie Assistant Secretary	0.25	✓		✓				0	0	0
Donna Brady Board Member	0.25	✓						0	0	0
Paul Mooney Board Member	0.25	✓						0	0	0
William Hunt Chairman	0.25	✓		✓				0	0	0
Virginia Roberts Board Member	0.25	✓						0	0	0

RIDOH 2381

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
James H Hahn Board Member	0.25	✓						0	0	0
1b Sub-total								0	0	0
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								0	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 0

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*		✓
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶

RIDOH 2382

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a				
	b Membership dues	1b				
	c Fundraising events	1c				
	d Related organizations	1d				
	e Government grants (contributions)	1e				
	f All other contributions, gifts, grants, and similar amounts not included above	1f				
	g Noncash contributions included in lines 1a-1f: $					
	h **Total.** Add lines 1a–1f ▶		0			
Program Service Revenue		Business Code				
	2a					
	b					
	c					
	d					
	e					
	f All other program service revenue					
	g **Total.** Add lines 2a–2f ▶		0			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		816	816	0	0
	4 Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
	5 Royalties ▶		0	0	0	0
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)	0 / 0				
	d Net rental income or (loss) ▶					
	7a Gross amount from sales of assets other than inventory	(i) Securities / (ii) Other				
	b Less: cost or other basis and sales expenses					
	c Gain or (loss)	0 / 0				
	d Net gain or (loss) ▶					
	8a Gross income from fundraising events (not including $ _____ of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a					
	b					
	c					
	d All other revenue					
	e **Total.** Add lines 11a–11d ▶		0			
	12 **Total revenue.** See instructions. ▶		816	816	0	0

RIDOH 2383

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	0	0	0	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	0	0	0	0
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	0	0	0	0
9	Other employee benefits	0	0	0	0
10	Payroll taxes	0	0	0	0
11	Fees for services (non-employees):				
a	Management	0	0	0	0
b	Legal	0	0	0	0
c	Accounting	0	0	0	0
d	Lobbying	0	0	0	0
e	Professional fundraising services. See Part IV, line 17	0			0
f	Investment management fees	0	0	0	0
g	Other	0	0	0	0
12	Advertising and promotion	0	0	0	0
13	Office expenses	0	0	0	0
14	Information technology	0	0	0	0
15	Royalties	0	0	0	0
16	Occupancy	0	0	0	0
17	Travel	0	0	0	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	0	0	0	0
20	Interest	0	0	0	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	0	0	0	0
23	Insurance	0	0	0	0
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a					
b					
c					
d					
e					
f	All other expenses	0	0	0	0
25	Total functional expenses. Add lines 1 through 24f	0	0	0	0
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2384

Part X Balance Sheet

			(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing	11,558	1	21,533
	2	Savings and temporary cash investments	505,574	2	506,415
	3	Pledges and grants receivable, net	0	3	0
	4	Accounts receivable, net	0	4	0
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)	0	6	0
	7	Notes and loans receivable, net	0	7	0
	8	Inventories for sale or use	0	8	0
	9	Prepaid expenses and deferred charges	0	9	0
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D — 10a			
	b	Less: accumulated depreciation — 10b	0	10c	
	11	Investments—publicly traded securities	0	11	0
	12	Investments—other securities. See Part IV, line 11	0	12	0
	13	Investments—program-related. See Part IV, line 11	0	13	0
	14	Intangible assets	0	14	0
	15	Other assets. See Part IV, line 11	10,000	15	0
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)	527,132	16	527,948
Liabilities	17	Accounts payable and accrued expenses	0	17	0
	18	Grants payable	0	18	0
	19	Deferred revenue	0	19	0
	20	Tax-exempt bond liabilities	0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23	Secured mortgages and notes payable to unrelated third parties	0	23	0
	24	Unsecured notes and loans payable to unrelated third parties	0	24	0
	25	Other liabilities. Complete Part X of Schedule D	0	25	
	26	**Total liabilities.** Add lines 17 through 25	0	26	0
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**			
	27	Unrestricted net assets	527,132	27	527,948
	28	Temporarily restricted net assets	0	28	0
	29	Permanently restricted net assets	0	29	0
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.			
	30	Capital stock or trust principal, or current funds		30	
	31	Paid-in or capital surplus, or land, building, or equipment fund		31	
	32	Retained earnings, endowment, accumulated income, or other funds		32	
	33	Total net assets or fund balances	527,132	33	527,948
	34	Total liabilities and net assets/fund balances	527,132	34	527,948

RIDOH 2385

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☐

1	Total revenue (must equal Part VIII, column (A), line 12)	1	816
2	Total expenses (must equal Part IX, column (A), line 25)	2	0
3	Revenue less expenses. Subtract line 2 from line 1	3	816
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	527,132
5	Other changes in net assets or fund balances (explain in Schedule O)	5	0
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	527,948

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	✓	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a		✓
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b		

RIDOH 2386

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
SOUTHEASTERN HEALTHCARE SYSTEM INC	06-1476858

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I b ☑ Type II c ☐ Type III–Functionally integrated d ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		✓
(ii) A family member of a person described in (i) above? 11g(ii)		✓
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		✓

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A) MEMORIAL HOSPITAL	05-0259004	3	✓		✓		✓		25
(B)									
(C)									
(D)									
(E)									
Total									25

RIDOH 2387

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a 33⅓% **support test—2010.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b 33⅓% **support test—2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

RIDOH 2388

Part III **Support Schedule for Organizations Described in Section 509(a)(2)**
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f)) . . .	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2389

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

RIDOH 2390

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

SOUTHEASTERN HEALTHCARE SYSTEM INC

Employer identification number

06-1476858

Form 990, Part VI, Section B, Line 11b - The Controller of Memorial Hospital of RI (a tax exempt affiliate) completes the Form 990. The draft is submitted to the President/CEO of the organization for review. Copies are made of the Form and they are e-mailed to all Trustees before the next Board meeting for their review and discussion. Any questions, comments and changes are forwarded to the Controller to make revisions. Once changes are made, the President/CEO signs the form both physically and electronically for submission to the IRS.

Form 990, Part VI, Section B, Line 12c - All Board members are required to file a Conflict of Interest Statement on an annual basis.

Form 990, Part VI, Section B, Line 15 - The organization's President/CEO is employed by Memorial Hospital of RI (a tax exempt affiliate). The hospital's policy for determining compensation is followed and includes a review of the individual's experience as well as the area market surveys of comparable positions.

Form 990, Part VI, Section C, Line 19 - The website directs anyone that wishes to obtain policies or financial information to contact the Public Relations Department at Memorial Hospital of RI. A member of the PR staff provides the policy(ies) requested. Any inquiries for financial information are submitted to the Controller.

RIDOH 2391

Reasonable Cause Explanations

Explanation
As of October 1, 2011, the organization had a new president and authorized signer. We did not e-file until the system was updated on April 26, 2012.

RIDOH 2392

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

SOUTHEASTERN HEALTHCARE SYSTEM INC

Employer identification number

06-1476858

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) The Memorial Hospital (05-0259004) 111 Brewster Street, Pawtucket, RI 02860	Providing healthcare services	RI	501(c)3	3	N/A		✓
(2) Blackstone Health Inc (05-0457007) 111 Brewster Strret, Pawtucket, RI 02860	Providing services to senior citizens and disadvantaged	RI	501(c)3	9	N/A		✓
(3) R S Realty Company (05-0343043) 111 Brewster Street, Pawtucket, RI 02860	provide rental property for affiliated Healthcare orgs	RI	501(c)2		N/A		✓
(4) SHS Ventures Inc (05-0510341) 111 Brewster Street, Pawtucket, RI 02860	Provider of Primary Healthcare services	RI	501(c)3	9	N/A		✓
(5)							
(6)							
(7)							

RIDOH 2393

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Primary Care Centers of New England (05-0423957) 111 Brewster Street, Pawtucket, RI 02860	Providing staff support	RI	N/A	C	5,002	564,894	100%
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							

RIDOH 2394

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

			Yes	No
Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.				
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b		✓
c	Gift, grant, or capital contribution from other organization(s)	1c		✓
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i		✓
j	Lease of facilities, equipment, or other assets from other organization(s)	1j		✓
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k		✓
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m		✓
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q	✓	
r	Other transfer of cash or property from other organization(s)	1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

RIDOH 2395

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

RIDOH 2396

Part VII **Supplemental Information**
Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

RIDOH 2397

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than $500,000 and total assets less than $1,250,000 at the end of the year may use this form.

▶ *The organization may have to use a copy of this return to satisfy state reporting requirements.*

OMB No. 1545-1150

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01 , 2009, and ending 09/30 , 20 10

B Check if applicable.
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
SOUTHEASTERN HEALTHCARE SYSTEM INC

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite
111 Brewster Street

City or town, state or country, and ZIP + 4
Pawtucket, RI 02860-4499

D Employer identification number
06-1476858

E Telephone number
401-729-2000

F Group Exemption Number ▶

• *Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).*

G Accounting Method: ☐ Cash ☑ Accrual
Other (specify) ▶

I Website: ▶ www.mhri.org

J Tax-exempt status (check only one) — ☑ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

H Check ▶ ☑ if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check ▶ ☑ if the organization is not a section 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A Form 990-EZ or Form 990 return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if $500,000 or more, file Form 990 instead of Form 990-EZ ▶ $ 6

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received		1	0
	2	Program service revenue including government fees and contracts		2	0
	3	Membership dues and assessments		3	0
	4	Investment income		4	6
	5a	Gross amount from sale of assets other than inventory	5a 0		
	b	Less: cost or other basis and sales expenses	5b 0		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a)		5c	0
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from **gaming,** check here ▶ ☐			
	a	Gross revenue (not including $ 0 of contributions reported on line 1)	6a 0		
	b	Less: direct expenses other than fundraising expenses	6b 0		
	c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)		6c	0
	7a	Gross sales of inventory, less returns and allowances	7a 0		
	b	Less: cost of goods sold	7b 0		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		7c	0
	8	Other revenue (describe ▶)		8	0
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ▶		9	6
Expenses	10	Grants and similar amounts paid (attach schedule)		10	0
	11	Benefits paid to or for members		11	0
	12	Salaries, other compensation, and employee benefits		12	0
	13	Professional fees and other payments to independent contractors		13	0
	14	Occupancy, rent, utilities, and maintenance		14	0
	15	Printing, publications, postage, and shipping		15	36
	16	Other expenses (describe ▶)		16	0
	17	**Total expenses.** Add lines 10 through 16 ▶		17	36
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)		18	-30
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	27,162
	20	Other changes in net assets or fund balances (attach explanation) See Statement 1		20	500,000
	21	Net assets or fund balances at end of year. Combine lines 18 through 20 ▶		21	527,132

Part II Balance Sheets. If Total assets on line 25, column (B) are $1,250,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments	27,162	22	517,132
23	Land and buildings	0	23	0
24	Other assets (describe ▶ See Statement 2)	0	24	10,000
25	**Total assets**	27,162	25	527,132
26	**Total liabilities** (describe ▶)	0	26	0
27	**Net assets or fund balances** (line 27 of column (B) **must** agree with line 21)	27,162	27	527,132

RIDOH 2399

Part III Statement of Program Service Accomplishments (See the instructions for Part III.)

What is the organization's primary exempt purpose? **Develop and maintain an integrated healthcare system**

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, and other relevant information for each program title.

Expenses (Required for section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts; optional for others.)

28	**Health Care Delivery & Management: To operate for the benefit of and to support the operations of The Memorial Hospital of Rhode Island and its affiliated corporations (0 Patients)** (Grants $ 0) If this amount includes foreign grants, check here ▶ ☐	28a	36
29	(Grants $) If this amount includes foreign grants, check here ▶ ☐	29a	
30	(Grants $) If this amount includes foreign grants, check here ▶ ☐	30a	
31	Other program services (attach schedule) (Grants $) If this amount includes foreign grants, check here ▶ ☐	31a	
32	**Total program service expenses** (add lines 28a through 31a) ▶	32	36

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
Patrick J Murray 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Robert Andrade 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Arthur Deblois III 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Francis R Dietz 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Gary Furtado 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
John Partridge 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Edna Poulin 111 Brewster Street, Pawtucket, RI 02860-4499	Secretary, 0.25	0	0	0
Karl Sherry 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Kenneth Washburn 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Greg Scown 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Alfred Degen 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
William Kapos 111 Brewster Street, Pawtucket, RI 02860-4499	Treasurer, 0.25	0	0	0
Robert Mackenzie 111 Brewster Street, Pawtucket, RI 02860-4499	Assistant Secretary, 0.25	0	0	0
Donna Brady 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
Paul Mooney 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0
William Hunt 111 Brewster Street, Pawtucket, RI 02860-4499	Chairman, 0.25	0	0	0
Virginia Roberts 111 Brewster Street, Pawtucket, RI 02860-4499	Board Member, 0.25	0	0	0

Part V Other Information (Note the statement requirements in the instructions for Part V.)

			Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity	33		✓
34	Were any changes made to the organizing or governing documents? If "Yes," attach a conformed copy of the changes	34		✓
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but **not** reported on Form 990-T, attach a statement explaining why the organization did not report the income on Form 990-T.			
a	Did the organization have unrelated business gross income of $1,000 or more or was it subject to section 6033(e) notice, reporting, and proxy tax requirements?	35a		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	35b		
36	Did the organization undergo a liquidation, dissolution, termination, or significant disposition of net assets during the year? If "Yes," complete applicable parts of Schedule N	36		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0			
b	Did the organization file **Form 1120-POL** for this year?	37b		✓
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee **or** were any such loans made in a prior year and still outstanding at the end of the period covered by this return?	38a		✓
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b			
39	Section 501(c)(7) organizations. Enter:			
a	Initiation fees and capital contributions included on line 9 39a			
b	Gross receipts, included on line 9, for public use of club facilities 39b			
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0			
b	Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or is it aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If "Yes," complete Schedule L, Part I	40b		✓
c	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0			
d	Section 501(c)(3) and 501(c)(4) organizations. Enter amount of tax on line 40c reimbursed by the organization ▶ 0			
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.	40e		✓
41	List the states with which a copy of this return is filed. ▶			
42a	The organization's books are in care of ▶ Francis R Dietz Telephone no. ▶ 401-729-2000			
	Located at ▶ 111 Brewster Street, PAwtucket, RI 02860-4499 ZIP + 4 ▶ 02860-4499			
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	42b		✓
	If "Yes," enter the name of the foreign country: ▶			
	See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**			
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.?	42c		✓
	If "Yes," enter the name of the foreign country: ▶			
43	Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43			
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ	44		✓
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ	45		✓

RIDOH 2401

Part VI **Section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts only.** All section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts must answer questions 46–49b and complete the tables for lines 50 and 51.

			Yes	No
46	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	46		✓
47	Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	47		✓
48	Is the organization a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	48		✓
49a	Did the organization make any transfers to an exempt non-charitable related organization?	49a		✓
b	If "Yes," was the related organization a section 527 organization?	49b		

50 Complete this table for the organization's five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than $100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				

f Total number of other employees paid over $100,000 . . . . ▶

51 Complete this table for the organization's five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation
None		

d Total number of other independent contractors each receiving over $100,000 . . ▶

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ **Francis Dietz, President**
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's identifying number (See instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶		EIN ▶	
		Phone no. ▶	

May the IRS discuss this return with the preparer shown above? See instructions . . . . . ▶ ☐ Yes ☐ No

RIDOH 2402

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
SOUTHEASTERN HEALTHCARE SYSTEM INC	06 1476858

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☑ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		✓
(ii) A family member of a person described in (i) above? 11g(ii)		✓
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		✓

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document? Yes	(iv) No	(v) Did you notify the organization in col. (i) of your support? Yes	(v) No	(vi) Is the organization in col. (i) organized in the U.S.? Yes	(vi) No	(vii) Amount of support
MEMORIAL HOSPITAL	05-0259004	7	✓		✓		✓		6
Total									6

RIDOH 2403

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge . . .						
4 **Total.** Add lines 1 through 3 . . .						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10 .						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓ % support test—2009.** If the organization did not check the box on line 13, and line 14 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓ % support test—2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓ % or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

RIDOH 2404

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19a **33⅓ % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓ % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2405

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

RIDOH 2406

Statement 1 : Other Changes In Net Assets Schedule
Statement 2 : Other Assets

RIDOH 2407

SOUTHEASTERN HEALTHCARE SYSTEM INC
06-1476858

Other Changes In Net Assets Schedule

Description	Amount
DIVIDENDS RECEIVED	500,000
Total:	**500,000**

RIDOH 2408

Other Assets

Description	BOY Amount	EOY Amount
INTERCOMPANY RECEIVABLE	0	10,000
Total:	**0**	**10,000**

RIDOH 2409

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990-EZ**

Department of the Treasury
Internal Revenue Service

Short Form
Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ Sponsoring organizations of donor advised funds and controlling organizations as defined in section 512(b)(13) must file Form 990. All other organizations with gross receipts less than $1,000,000 and total assets less than $2,500,000 at the end of the year may use this form.

▶ *The organization may have to use a copy of this return to satisfy state reporting requirements.*

OMB No. 1545-1150

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , 2008, and ending 09/30 , 20 09

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization
SOUTHEASTERN HEALTHCARE SYSTEM INC

Number and street (or P.O. box, if mail is not delivered to street address) Room/suite
111 Brewster Street

City or town, state or country, and ZIP + 4
Pawtucket, RI 02860-4499

D Employer identification number
06 1476858

E Telephone number
(401) 729-2000

F Group Exemption Number . . ▶

- *Section 501(c)(3) organizations and 4947(a)(1) nonexempt charitable trusts must attach a completed Schedule A (Form 990 or 990-EZ).*

G Accounting method: ☐ Cash ☑ Accrual
Other (specify) ▶

I Website: ▶ www.mhri.org

J Organization type (check only one)— ☑ 501(c) (3) ◀(insert no.) ☐ 4947(a)(1) or ☐ 527

H Check ▶ ☑ if the organization is **not** required to attach Schedule B (Form 990, 990-EZ, or 990-PF).

K Check ▶ ☑ if the organization is not a section 509(a)(3) supporting organization **and** its gross receipts are normally **not** more than $25,000. A return is not required, but if the organization chooses to file a return, be sure to file a complete return.

L Add lines 5b, 6b, and 7b, to line 9 to determine gross receipts; if $1,000,000 or more, file Form 990 instead of Form 990-EZ ▶ $ 8

Part I Revenue, Expenses, and Changes in Net Assets or Fund Balances (See the instructions for Part I.)

Revenue	1	Contributions, gifts, grants, and similar amounts received		1	0
	2	Program service revenue including government fees and contracts		2	0
	3	Membership dues and assessments		3	0
	4	Investment income		4	8
	5a	Gross amount from sale of assets other than inventory	5a 0		
	b	Less: cost or other basis and sales expenses	5b 0		
	c	Gain or (loss) from sale of assets other than inventory (Subtract line 5b from line 5a) (attach schedule)		5c	0
	6	Special events and activities (complete applicable parts of Schedule G). If any amount is from **gaming**, check here ▶ ☐			
	a	Gross revenue (not including $ 0 of contributions reported on line 1)	6a 0		
	b	Less: direct expenses other than fundraising expenses	6b 0		
	c	Net income or (loss) from special events and activities (Subtract line 6b from line 6a)		6c	0
	7a	Gross sales of inventory, less returns and allowances	7a 0		
	b	Less: cost of goods sold	7b 0		
	c	Gross profit or (loss) from sales of inventory (Subtract line 7b from line 7a)		7c	0
	8	Other revenue (describe ▶)		8	0
	9	**Total revenue.** Add lines 1, 2, 3, 4, 5c, 6c, 7c, and 8 ▶		9	8
Expenses	10	Grants and similar amounts paid (attach schedule)		10	0
	11	Benefits paid to or for members		11	0
	12	Salaries, other compensation, and employee benefits		12	0
	13	Professional fees and other payments to independent contractors		13	0
	14	Occupancy, rent, utilities, and maintenance		14	0
	15	Printing, publications, postage, and shipping		15	0
	16	Other expenses (describe ▶)		16	0
	17	**Total expenses.** Add lines 10 through 16 ▶		17	0
Net Assets	18	Excess or (deficit) for the year (Subtract line 17 from line 9)		18	8
	19	Net assets or fund balances at beginning of year (from line 27, column (A)) (must agree with end-of-year figure reported on prior year's return)		19	27,154
	20	Other changes in net assets or fund balances (attach explanation)		20	0
	21	Net assets or fund balances at end of year. Combine lines 18 through 20 ▶		21	27,162

Part II Balance Sheets. If Total assets on line 25, column (B) are $2,500,000 or more, file Form 990 instead of Form 990-EZ.

(See the instructions for Part II.)

		(A) Beginning of year		(B) End of year
22	Cash, savings, and investments	27,154	22	27,162
23	Land and buildings	0	23	0
24	Other assets (describe ▶)	0	24	0
25	**Total assets**	27,154	25	27,162
26	**Total liabilities** (describe ▶)	0	26	0
27	**Net assets or fund balances** (line 27 of column (B) **must** agree with line 21)	27,154	27	27,162

RIDOH 2411

Part III Statement of Program Service Accomplishments (See the instructions for Part III.)

What is the organization's primary exempt purpose? Develop and maintain an integrated healthcare system

Describe what was achieved in carrying out the organization's exempt purposes. In a clear and concise manner, describe the services provided, the number of persons benefited, or other relevant information for each program title.

Expenses (Required for 501(c)(3) and (4) organizations and 4947(a)(1) trusts; optional for others.)

28 Health Care Delivery & Management: To operate for the benefit of and to support the operations of The Memorial Hospital of Rhode Island and its affiliated corporations (0 Patients)

(Grants $ $0) If this amount includes foreign grants, check here ▶ ☐ **28a** $0

29 (Grants $) If this amount includes foreign grants, check here ▶ ☐ **29a**

30 (Grants $) If this amount includes foreign grants, check here ▶ ☐ **30a**

31 Other program services (attach schedule)

(Grants $) If this amount includes foreign grants, check here ▶ ☐ **31a**

32 Total program service expenses (add lines 28a through 31a) ▶ **32** 0

Part IV List of Officers, Directors, Trustees, and Key Employees. List each one even if not compensated. (See the instructions for Part IV.)

(a) Name and address	(b) Title and average hours per week devoted to position	(c) Compensation (If not paid, enter -0-.)	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
See Statement 1				

Part V Other Information (Note the statement requirements in the instructions for Part VI.)

		Yes	No
33	Did the organization engage in any activity not previously reported to the IRS? If "Yes," attach a detailed description of each activity		✓
34	Were any changes made to the organizing or governing documents but not reported to the IRS? If "Yes," attach a conformed copy of the changes		✓
35	If the organization had income from business activities, such as those reported on lines 2, 6a, and 7a (among others), but **not** reported on Form 990-T, attach a statement explaining your reason for not reporting the income on Form 990-T.		
a	Did the organization have unrelated business gross income of $1,000 or more or section 6033(e) notice, reporting, and proxy tax requirements?		✓
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?		
36	Was there a liquidation, dissolution, termination, or substantial contraction during the year? If "Yes," complete applicable parts of Schedule N		✓
37a	Enter amount of political expenditures, direct or indirect, as described in the instructions. ▶ 37a 0		
b	Did the organization file **Form 1120-POL** for this year?		✓
38a	Did the organization borrow from, or make any loans to, any officer, director, trustee, or key employee **or** were any such loans made in a prior year and still unpaid at the start of the period covered by this return?		✓
b	If "Yes," complete Schedule L, Part II and enter the total amount involved 38b		
39	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on line 9 39a		
b	Gross receipts, included on line 9, for public use of club facilities 39b		
40a	Section 501(c)(3) organizations. Enter amount of tax imposed on the organization during the year under: section 4911 ▶ 0 ; section 4912 ▶ 0 ; section 4955 ▶ 0		
b	Section 501(c)(3) and (4) organizations. Did the organization engage in any section 4958 excess benefit transaction during the year or did it become aware of an excess benefit transaction from a prior year? If "Yes," complete Schedule L, Part I		✓
c	Enter amount of tax imposed on organization managers or disqualified persons during the year under sections 4912, 4955, and 4958 ▶ 0		
d	Enter amount of tax on line 40c reimbursed by the organization ▶ 0		
e	All organizations. At any time during the tax year, was the organization a party to a prohibited tax shelter transaction? If "Yes," complete Form 8886-T.		✓

41 List the states with which a copy of this return is filed. ▶

42a The books are in care of ▶ Francis R Dietz Telephone no. ▶ (401) 729-2000

Located at ▶ 111 Brewster Street, PAwtucket, RI 02860-4499 ZIP + 4 ▶ 02860-4499

		Yes	No
b	At any time during the calendar year, did the organization have an interest in or a signature or other authority over a financial account in a foreign country (such as a bank account, securities account, or other financial account)? If "Yes," enter the name of the foreign country: ▶ See the instructions for exceptions and filing requirements for **Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.**		✓
c	At any time during the calendar year, did the organization maintain an office outside of the U.S.? If "Yes," enter the name of the foreign country: ▶		✓

43 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-EZ in lieu of **Form 1041**—Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the tax year ▶ 43

		Yes	No
44	Did the organization maintain any donor advised funds? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓
45	Is any related organization a controlled entity of the organization within the meaning of section 512(b)(13)? If "Yes," Form 990 must be completed instead of Form 990-EZ		✓

RIDOH 2413

Part VI **Section 501(c)(3) organizations only.** All section 501(c)(3) organizations must answer questions 46–49 and complete the tables for lines 50 and 51.

		Yes	No
46	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I		✓
47	Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II		✓
48	Is the organization operating a school as described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E		✓
49a	Did the organization make any transfers to an exempt non-charitable related organization?		✓
b	If "Yes," was the related organization(s) a section 527 organization?		

50 Complete this table for the five highest compensated employees (other than officers, directors, trustees and key employees) who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each employee paid more than $100,000	(b) Title and average hours per week devoted to position	(c) Compensation	(d) Contributions to employee benefit plans & deferred compensation	(e) Expense account and other allowances
None				
Total number of other employees paid over $100,000 ▶				

51 Complete this table for the five highest compensated independent contractors who each received more than $100,000 of compensation from the organization. If there is none, enter "None."

(a) Name and address of each independent contractor paid more than $100,000	(b) Type of service	(c) Compensation
None		
Total number of other independent contractors each receiving over $100,000 ▶		

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

▶ _____ Date

Signature of officer

▶ Francis Dietz, President

Type or print name and title.

Paid Preparer's Use Only

Preparer's signature ▶	Date	Check if self-employed ▶ ☐	Preparer's Identifying Number (See instructions)
Firm's name (or yours if self-employed), address, and ZIP + 4 ▶		EIN ▶	
		Phone no. ▶ ( )	

May the IRS discuss this return with the preparer shown above? See instructions ▶ ☐ Yes ☐ No

RIDOH 2414

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
SOUTHEASTERN HEALTHCARE SYSTEM INC	06 ¦ 1476858

Part I **Reason for Public Charity Status** (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: ----------

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☑ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☑ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		✓
(ii) A family member of a person described in (i) above? 11g(ii)		✓
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		✓

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
See Statement 2									
Total									8

RIDOH 2415

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33⅓ % support test—2008.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓ % support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

b **10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

RIDOH 2416

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2417

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 2418

Statement 1 : Officers, Directors, Trustees and Key Employees Compensation
Statement 2 : Information About the supported organizations

RIDOH 2419

Officers, Directors, Trustees and Key Employees Compensation

Name	Title and Hrs	Compensation	Benefits	Expense
Patrick J Murray 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Robert Andrade 111 Brewster Street Pawtucket, RI 02860-4499	Treasurer 0.25	$0	$0	$0
Arthur Deblois III 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Francis R Dietz 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Gary Furtado 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
John Partridge 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Edna Poulin 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Karl Sherry 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Kenneth Washburn 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Greg Scown 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Alfred Degen 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
William Kapos 111 Brewster Street Pawtucket, RI 02860-4499	Assistant Treasurer 0.25	$0	$0	$0
Robert Mackenzie 111 Brewster Street Pawtucket, RI 02860-4499	Assistant Secretary 0.25	$0	$0	$0
Donna Brady 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Paul Mooney 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
William Hunt 111 Brewster Street	Chairman 0.25	$0	$0	$0

RIDOH 2420

Pawtucket, RI 02860-4499				
Virginia Roberts 111 Brewster Street Pawtucket, RI 02860-4499	Board Member 0.25	$0	$0	$0
Total:		**$0**	**$0**	**$0**

Information About the supported organizations

		Amount
Name	MEMORIAL HOSPITAL	$8
EIN	050259004	
Type Of Organization	7	
Listed In Governing Documents	Yes	
Supported Organization Notified	Yes	
Organized In US	Yes	
	Total:	**$8**

RIDOH 2422

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2010

Open to Public Inspection

A For the 2010 calendar year, or tax year beginning 10/01 , 2010, and ending 09/30 , 20 11

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

C Name of organization MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

111 Brewster Street

City or town, state or country, and ZIP + 4

Pawtucket, RI 02860-4499

D Employer identification number 05-0259004

E Telephone number 401-729-2000

G Gross receipts $ 200,512,627

F Name and address of principal officer: Arthur DeBlois III

111 Brewster Street, Pawtucket, RI 02860

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No

If "No," attach a list. (see instructions)

I Tax-exempt status: ☑ 501(c)(3) ☐ 501(c) ( ) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.mhri.org

H(c) Group exemption number ▶

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1901

M State of legal domicile: RI

Part I Summary

Activities & Governance	1	Briefly describe the organization's mission or most significant activities: Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research.	
	2	Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.	
	3	Number of voting members of the governing body (Part VI, line 1a)	17
	4	Number of independent voting members of the governing body (Part VI, line 1b)	17
	5	Total number of individuals employed in calendar year 2010 (Part V, line 2a)	2,418
	6	Total number of volunteers (estimate if necessary)	171
	7a	Total unrelated business revenue from Part VIII, column (C), line 12	0
	b	Net unrelated business taxable income from Form 990-T, line 34	0

			Prior Year	Current Year
Revenue	8	Contributions and grants (Part VIII, line 1h)	6,925,155	7,486,800
	9	Program service revenue (Part VIII, line 2g)	173,280,023	169,468,374
	10	Investment income (Part VIII, column (A), lines 3, 4, and 7d)	1,785,995	3,500,122
	11	Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	927,532	916,445
	12	Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	182,918,705	181,371,741
Expenses	13	Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14	Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15	Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	112,172,988	114,049,334
	16a	Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b	Total fundraising expenses (Part IX, column (D), line 25) ▶ 27,351		
	17	Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	72,586,816	72,311,225
	18	Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	184,759,804	186,360,559
	19	Revenue less expenses. Subtract line 18 from line 12	-1,841,099	-4,988,818

			Beginning of Current Year	End of Year
Net Assets or Fund Balances	20	Total assets (Part X, line 16)	114,145,854	101,761,596
	21	Total liabilities (Part X, line 26)	81,760,941	89,347,255
	22	Net assets or fund balances. Subtract line 21 from line 20	32,384,913	12,414,341

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer Date

▶ Arthur Deblois, President
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self-employed	PTIN

Firm's name ▶ Firm's EIN ▶

Firm's address ▶ Phone no.

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

RIDOH 2424

Part III **Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III . . . . . ☐

1 Briefly describe the organization's mission:

Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving our mission is the medical expertise provided by our competent and caring professional staff. We strive to achieve the timely and efficient delivery of care in a compassionate atmosphere.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No

If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 166,646,977 including grants of $ 0) (Revenue $ 0)

Health Care & ManagementFunds received were used to provide funding for the exempt purpose of general patient care. The Memorial Hospital is an acute care, not -for-profit teaching community health institution and research facility serving the Blackstone Valley community of Rhode Island and Massachusetts. Memorial, which is located in Pawtucket, Rhode Island, is a teaching affiliate of the Warren Alpert Medical School of Brown University and the chief site for the medical schools primary care academic program housed in the Center for Primary Care. Memorials goals are to provide quality multi-disiplinary services, to see patients regardless of race, color, national origin, socioeconomic status or place of residence and to act as an educational resource for patients, physicians, nurses and the community. Memorial provides care to patients that meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Memorial does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Memorial provided 30,098patient days of service in the year ended September 30, 2011. Memorial had 6,373 admissions with an ALOS of 4.72 days. Memorial operates a Level 2 trauma center ER, which serves patients regardless of ability to pay. For the year ended September 30, 2011, Memorial provided

(Continued on Schedule O, Statement 2)

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses** ▶ 166,646,977

RIDOH 2425

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? *If "Yes," complete Schedule C, Part II*	4	✓	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? *If "Yes," complete Schedule C, Part III*	5		✓
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.			
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI*	11a	✓	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII*	11b	✓	
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII*	11c		✓
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX*	11d		✓
e	Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X*	11e	✓	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? *If "Yes," complete Schedule D, Part X*	11f		✓
12 a	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12a		✓
b	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional*	12b	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14 a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Parts I and IV*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Parts II and IV*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Parts III and IV*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I (see instructions)*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20 a	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20a	✓	
b	If "Yes" to line 20a, did the organization attach its audited financial statements to this return? **Note.** Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	✓	

RIDOH 2426

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25*	24a	✓	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)?	35		✓
a	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2* ☐ Yes ☑ No			
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	✓	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O	38	✓	

RIDOH 2427

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V . . . . . ☐

				Yes	No
1a	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable	1a	72		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c		✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	2418		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? .	2b		✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file.* (see instructions)				
3a	Did the organization have unrelated business gross income of $1,000 or more during the year?	3a			✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b			
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a			✓
b	If "Yes," enter the name of the foreign country: ▶ ---------- See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.				
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year? . . .	5a			✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b			✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	5c			
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a			✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b			
7	**Organizations that may receive deductible contributions under section 170(c).**				
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a			✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b			
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c			✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d			
e	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e			✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract? .	7f			✓
g	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	7g			✓
h	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	7h			✓
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8			
9	**Sponsoring organizations maintaining donor advised funds.**				
a	Did the organization make any taxable distributions under section 4966?	9a			
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b			
10	**Section 501(c)(7) organizations.** Enter:				
a	Initiation fees and capital contributions included on Part VIII, line 12	10a			
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities .	10b			
11	**Section 501(c)(12) organizations.** Enter:				
a	Gross income from members or shareholders	11a			
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b			
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a			
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year . .	12b			
13	**Section 501(c)(29) qualified nonprofit health insurance issuers.**				
a	Is the organization licensed to issue qualified health plans in more than one state?	13a			
	Note. See the instructions for additional information the organization must report on Schedule O.				
b	Enter the amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans	13b			
c	Enter the amount of reserves on hand	13c			
14a	Did the organization receive any payments for indoor tanning services during the tax year?	14a			✓
b	If "Yes," has it filed a Form 720 to report these payments? *If "No," provide an explanation in Schedule O* .	14b			

RIDOH 2428

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Check if Schedule O contains a response to any question in this Part VI . . . . . ☑

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year . .	1a 17		
b	Enter the number of voting members included in line 1a, above, who are independent .	1b 17		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person? . .	3		✓
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a significant diversion of the organization's assets? .	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	9		✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

			Yes	No
10a	Does the organization have local chapters, branches, or affiliates?	10a		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization? .	10b		
11a	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11a	✓	
b	Describe in Schedule O the process, if any, used by the organization to review this Form 990.			
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?			
a	The organization's CEO, Executive Director, or top management official	15a	✓	
b	Other officers or key employees of the organization	15b		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☑ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Arthur DeBlois III, (401)729-2000

111 Brewster Street, Pawtucket, RI 02860-4499

RIDOH 2429

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII . . . . . ☐

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees, if any. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Robert Andrade Vice Chairman	0.25	✓		✓				0	0	0
Robert MacKenzie Assistant Secretary	0.25	✓		✓				0	0	0
Paul Mooney Trustee	0.25	✓						0	0	0
John J Partridge Trustee	0.25	✓						0	0	0
Virginia Roberts Trustee	0.25	✓						0	0	0
Karl Sherry Trustee	0.25	✓						0	0	0
Donna Brady Trustee	0.25	✓						0	0	0
Arthur Deblois III President	0.25	✓		✓				0	0	0
Alfred Degen Trustee	0.25	✓						0	0	0
William Kapos Treasurer	0.25	✓		✓				0	0	0
Gary E Furtado Trustee	0.25	✓						0	0	0
William J Hunt Chairman	0.25	✓		✓				0	0	0
Patrick J Murray Assistant Treasurer	0.25	✓		✓				0	0	0
Greg Scown Trustee	0.25	✓						0	0	0
James Hahn Trustee	0.25	✓						0	0	0
Edna Poulin Secretary	0.25	✓		✓				0	0	0

RIDOH 2430

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees *(continued)*

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Francis R Dietz Former President	60	✓		✓			✓	601,254	0	15,262
Michael J Ryan Sr Vice Pres Finance	50			✓				192,001	0	35,197
Elizabeth Girard Former Sr. Vice President	50			✓			✓	170,739	0	19,292
Michelle MacDonald Gallagher Sr VP Clinical Oper.	50			✓				265,000	0	38,156
Martin Tursky Former Chief Operating Officer	50			✓			✓	418,405	0	38,138
Jeffrey Borkan MD Chief of Family Med	40					✓		284,665	0	21,125
Andrew Artenstein MD Physician in Chief	40					✓		297,962	0	21,339
Brian Wiley MD Emergency Physician	40					✓		302,454	0	12,420
Noubar Kessimian MD Pathology in Chief	40					✓		271,250	0	20,909
John Riedel MD Emergency Physician	40					✓		276,996	0	21,002
1b Sub-total								3,080,726	0	242,840
c Total from continuation sheets to Part VII, Section A										
d Total (add lines 1b and 1c)								3,080,726	0	242,840

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 116

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*	✓	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	✓	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
Aramark Healthcare, Food Lockbox, 25271 Network Pl, Chicago, IL 60673-1252	Dietary Services	730,830
Quest Diagnostics, 3924 Collection Center Drive, Chicago, IL 60693-0039	Laboratory Services	599,760
Brown University, PO Box 1939, Providence, RI 02912	Physicians	637,446
University Surgical Associates, 593 Eddy Street, Apt 431, Providence, RI 02903	Surgical Physician Services	685,000
BWPO Medicine, PO Box 3684, Boston, MA 02241-3684	Physician Services (E/R and	606,400

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 17

RIDOH 2431

Part VIII Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns	1a 0				
	b	Membership dues	1b 0				
	c	Fundraising events	1c 0				
	d	Related organizations	1d 0				
	e	Government grants (contributions)	1e 6,004,390				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f 1,482,410				
	g	Noncash contributions included in lines 1a-1f: $ 0					
	h	**Total.** Add lines 1a–1f ▶		7,486,800			
Program Service Revenue			Business Code				
	2a	Patient Service Revenue	622000	169,468,374	169,468,374	0	0
	b						
	c						
	d						
	e						
	f	All other program service revenue		0	0	0	0
	g	**Total.** Add lines 2a–2f ▶		169,468,374			
Other Revenue	3	Investment income (including dividends, interest, and other similar amounts) ▶		786,691	0	0	786,691
	4	Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
	5	Royalties ▶		0	0	0	0
			(i) Real / (ii) Personal				
	6a	Gross Rents	0 / 0				
	b	Less: rental expenses	0 / 0				
	c	Rental income or (loss)	0 / 0				
	d	Net rental income or (loss) ▶		0	0	0	0
			(i) Securities / (ii) Other				
	7a	Gross amount from sales of assets other than inventory	21,847,666 / 6,651				
	b	Less: cost or other basis and sales expenses	19,140,886 / 0				
	c	Gain or (loss)	2,706,780 / 6,651				
	d	Net gain or (loss) ▶		2,713,431	0	0	2,713,431
	8a	Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from fundraising events ▶					
	9a	Gross income from gaming activities. See Part IV, line 19 a					
	b	Less: direct expenses b					
	c	Net income or (loss) from gaming activities ▶					
	10a	Gross sales of inventory, less returns and allowances a					
	b	Less: cost of goods sold b					
	c	Net income or (loss) from sales of inventory ▶					
		Miscellaneous Revenue	Business Code				
	11a	Cafeteria Revenue	561499	900,266	0	0	900,266
	b	Pharmacy Sales to Employees	561499	16,179	0	0	16,179
	c						
	d	All other revenue		0	0	0	0
	e	**Total.** Add lines 11a–11d ▶		916,445			
	12	**Total revenue.** See instructions. ▶		181,371,741	169,468,374	0	4,416,567

RIDOH 2432

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

	Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4	Benefits paid to or for members	0	0		
5	Compensation of current officers, directors, trustees, and key employees	1,647,399	0	1,647,399	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7	Other salaries and wages	82,288,468	72,956,870	9,306,191	25,407
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,309,427	4,708,786	600,641	0
9	Other employee benefits	19,253,092	17,075,043	2,178,049	0
10	Payroll taxes	5,550,948	4,921,261	627,743	1,944
11	Fees for services (non-employees):				
a	Management	0	0	0	0
b	Legal	249,051	0	249,051	0
c	Accounting	193,200	0	193,200	0
d	Lobbying	0	0	0	0
e	Professional fundraising services. See Part IV, line 17	0			0
f	Investment management fees	0	0	0	0
g	Other	10,448,725	8,499,535	1,949,190	0
12	Advertising and promotion	16,462	14,600	1,862	0
13	Office expenses	19,807,135	19,318,073	489,062	0
14	Information technology	0	0	0	0
15	Royalties	0	0	0	0
16	Occupancy	2,868,009	2,204,766	663,243	0
17	Travel	365,004	353,173	11,831	0
18	Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19	Conferences, conventions, and meetings	0	0	0	0
20	Interest	1,143,902	1,143,902	0	0
21	Payments to affiliates	0	0	0	0
22	Depreciation, depletion, and amortization	4,162,282	3,691,415	470,867	0
23	Insurance	2,130,626	1,574,492	556,134	0
24	Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24f. If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O.)				
a	Provision for Bad Debts	16,352,769	16,352,769	0	0
b	Licensing Fee	7,549,028	7,549,028	0	0
c	Physician and Grants	5,211,461	5,211,461	0	0
d	Equipment Rental & Maintenance	583,469	517,463	66,006	0
e	Dues	529,124	182,839	346,285	0
f	All other expenses	700,978	371,501	329,477	0
25	**Total functional expenses.** Add lines 1 through 24f	186,360,559	166,646,977	19,686,231	27,351
26	**Joint costs.** Check here ▶ ☐ if following SOP 98-2 (ASC 958-720). Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2433

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		337,609	1	789,126
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		202,392	3	56,325
	4	Accounts receivable, net		33,857,809	4	34,280,331
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		802,038	8	737,772
	9	Prepaid expenses and deferred charges		843,458	9	876,596
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 113,383,400			
	b	Less: accumulated depreciation	10b 80,372,399	33,908,209	10c	33,011,001
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities. See Part IV, line 11		41,493,988	12	30,107,963
	13	Investments—program-related. See Part IV, line 11		0	13	0
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		2,700,351	15	1,902,482
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		114,145,854	16	101,761,596
Liabilities	17	Accounts payable and accrued expenses		24,669,860	17	22,237,145
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		12,693,483	20	11,106,099
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities. Complete Part X of Schedule D		44,397,598	25	56,004,011
	26	**Total liabilities.** Add lines 17 through 25		81,760,941	26	89,347,255
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		21,656,473	27	1,647,034
	28	Temporarily restricted net assets		1,015,273	28	1,297,954
	29	Permanently restricted net assets		9,713,167	29	9,469,353
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		32,384,913	33	12,414,341
	34	Total liabilities and net assets/fund balances		114,145,854	34	101,761,596

RIDOH 2434

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI . . . . . ☑

1	Total revenue (must equal Part VIII, column (A), line 12)	1	181,371,741
2	Total expenses (must equal Part IX, column (A), line 25)	2	186,360,559
3	Revenue less expenses. Subtract line 2 from line 1	3	-4,988,818
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	32,384,913
5	Other changes in net assets or fund balances (explain in Schedule O)	5	-14,981,754
6	Net assets or fund balances at end of year. Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	12,414,341

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII . . . . . ☐

			Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.			
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?	2a		✓
b	Were the organization's financial statements audited by an independent accountant?	2b	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	2c	✓	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both: ☐ Separate basis ☐ Consolidated basis ☑ Both consolidated and separate basis			
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	3a	✓	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	3b	✓	

RIDOH 2435

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HOSPITAL	05-0259004

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state:

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

		Yes	No
(i)	A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii)	A family member of a person described in (i) above?	11g(ii)	
(iii)	A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

RIDOH 2436

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.") . . .						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2009 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓% support test—2010.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓% support test—2009.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2010.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions . . . . . ▶ ☐

RIDOH 2437

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

15	Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16	Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17	Investment income percentage for **2010** (line 10c, column (f) divided by line 13, column (f)) . . .	17	%
18	Investment income percentage from **2009** Schedule A, Part III, line 17	18	%

19a **33 1/3% support tests—2010.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization . ▶ ☐

b **33 1/3% support tests—2009.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2438

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

RIDOH 2439

SCHEDULE C (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ **Complete if the organization is described below.** ▶ **Attach to Form 990 or Form 990-EZ.**
▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

If the organization answered "Yes," to Form 990, Part IV, line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations: Complete Parts I-A and B. Do not complete Part I-C.
- Section 501(c) (other than section 501(c)(3)) organizations: Complete Parts I-A and C below. Do not complete Part I-B.
- Section 527 organizations: Complete Part I-A only.

If the organization answered "Yes," to Form 990, Part IV, line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)): Complete Part II-A. Do not complete Part II-B.
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)): Complete Part II-B. Do not complete Part II-A.

If the organization answered "Yes," to Form 990, Part IV, line 5 (Proxy Tax) or Form 990-EZ, Part V, line 35a (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations: Complete Part III.

Name of organization	Employer identification number
MEMORIAL HOSPITAL	05-0259004

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1 Provide a description of the organization's direct and indirect political campaign activities in Part IV.

2 Political expenditures . . . . . ▶ $

3 Volunteer hours . . . . . .

Part I-B Complete if the organization is exempt under section 501(c)(3).

1 Enter the amount of any excise tax incurred by the organization under section 4955 . . . . ▶ $

2 Enter the amount of any excise tax incurred by organization managers under section 4955 . . ▶ $

3 If the organization incurred a section 4955 tax, did it file Form 4720 for this year? . . . . . ☐ Yes ☐ No

4a Was a correction made? . . . . . ☐ Yes ☐ No

b If "Yes," describe in Part IV.

Part I-C Complete if the organization is exempt under section 501(c), except section 501(c)(3).

1 Enter the amount directly expended by the filing organization for section 527 exempt function activities . . . . . ▶ $

2 Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt function activities . . . . . ▶ $

3 Total exempt function expenditures. Add lines 1 and 2. Enter here and on Form 1120-POL, line 17b . . . . . ▶ $

4 Did the filing organization file **Form 1120-POL** for this year? . . . . . ☐ Yes ☐ No

5 Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments. For each organization listed, enter the amount paid from the filing organization's funds. Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC). If additional space is needed, provide information in Part IV.

	(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds. If none, enter -0-.	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization. If none, enter -0-.
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

RIDOH 2440

Part II-A **Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).**

A Check ▶ ☐ if the filing organization belongs to an affiliated group.

B Check ▶ ☐ if the filing organization checked box A and "limited control" provisions apply.

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)	(a) Filing organization's totals	(b) Affiliated group totals
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)		
b Total lobbying expenditures to influence a legislative body (direct lobbying)		
c Total lobbying expenditures (add lines 1a and 1b)		
d Other exempt purpose expenditures		
e Total exempt purpose expenditures (add lines 1c and 1d)		
f Lobbying nontaxable amount. Enter the amount from the following table in both columns.		

If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:
Not over $500,000	20% of the amount on line 1e.
Over $500,000 but not over $1,000,000	$100,000 plus 15% of the excess over $500,000.
Over $1,000,000 but not over $1,500,000	$175,000 plus 10% of the excess over $1,000,000.
Over $1,500,000 but not over $17,000,000	$225,000 plus 5% of the excess over $1,500,000.
Over $17,000,000	$1,000,000.

g Grassroots nontaxable amount (enter 25% of line 1f)		
h Subtract line 1g from line 1a. If zero or less, enter -0-		
i Subtract line 1f from line 1c. If zero or less, enter -0-		

j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year? ☐ Yes ☐ No

4-Year Averaging Period Under Section 501(h)
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) Total
2a Lobbying nontaxable amount					
b Lobbying ceiling amount (150% of line 2a, column (e))					
c Total lobbying expenditures					
d Grassroots nontaxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

RIDOH 2441

Part II-B **Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).**

		(a) Yes	(a) No	(b) Amount
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of:			
a	Volunteers?		✓	
b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?		✓	
c	Media advertisements?		✓	
d	Mailings to members, legislators, or the public?		✓	
e	Publications, or published or broadcast statements?		✓	
f	Grants to other organizations for lobbying purposes?		✓	
g	Direct contact with legislators, their staffs, government officials, or a legislative body?		✓	
h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?		✓	
i	Other activities? If "Yes," describe in Part IV	✓		11,808
j	Total. Add lines 1c through 1i			11,808
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		✓	
b	If "Yes," enter the amount of any tax incurred under section 4912			
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912			
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?			

Part III-A **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).**

			Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1		
2	Did the organization make only in-house lobbying expenditures of $2,000 or less?	2		
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3		

Part III-B **Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes."**

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) nondeductible lobbying and political expenditures **(do not include amounts of political expenses for which the section 527(f) tax was paid).**		
a	Current year	2a	
b	Carryover from last year	2b	
c	Total	2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV **Supplemental Information**

Complete this part to provide the descriptions required for Part I-A, line 1; Part I-B, line 4; Part I-C, line 5; and Part II-B, line 1i. Also, complete this part for any additional information.

Schedule C, Part II-B, Line 1 - Memorial is a member of the Hospital Association of Rhode Island (HARI). The hospital pays annual memebership dues to HARI. HARI lobbies on behalf of all it's members.

RIDOH 2442

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.
▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05-0259004

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

		(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year		
2	Aggregate contributions to (during year)		
3	Aggregate grants from (during year)		
4	Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (e.g., recreation or education) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

		Held at the End of the Tax Year
a	Total number of conservation easements	2a
b	Total acreage restricted by conservation easements	2b
c	Number of conservation easements on a certified historic structure included in (a)	2c
d	Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____
(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____
b Assets included in Form 990, Part X ▶ $ _____

RIDOH 2443

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

		(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a	Beginning of year balance	9,713,167	9,361,014	9,438,660		
b	Contributions	23	34	0		
c	Net investment earnings, gains, and losses	-243,837	352,119	-77,646		
d	Grants or scholarships	0	0	0		
e	Other expenditures for facilities and programs	0	0	0		
f	Administrative expenses	0	0	0		
g	End of year balance	9,469,353	9,713,167	9,361,014		

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ▶ 0 %
b Permanent endowment ▶ 100 %
c Term endowment ▶ 0 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

		Yes	No
(i)	unrelated organizations	✓	
(ii)	related organizations		✓
b	If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Land, Buildings, and Equipment. See Form 990, Part X, line 10.

	Description of Investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a	Land	1,822,002	0		1,822,002
b	Buildings	48,450,143	0	29,564,898	18,885,245
c	Leasehold improvements	0	0	0	0
d	Equipment	60,748,088	0	49,325,139	11,422,949
e	Other	2,363,167	0	1,482,362	880,805
Total.	Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ▶				33,011,001

RIDOH 2444

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives	0	
(2) Closely-held equity interests	0	
(3) Other Stocks	14,901,893	End-of-Year Market Value
(A) Bonds	6,882,912	End-of-Year Market Value
(B) Other	8,323,158	End-of-Year Market Value
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	30,107,963	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
(1) Federal income taxes	0
(2) Minimum Pension Liability	48,295,374
(3) Line of Credit	5,000,000
(4) Current Portion of Long-term Debt	1,587,385
(5) Insurance Claims Reserve	977,468
(6) Accrued Interest Payable	143,784
(7)	
(8)	
(9)	
(10)	
(11)	
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	56,004,011

2. FIN 48 (ASC 740) Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740).

RIDOH 2445

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	181,371,741
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	186,360,559
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-4,988,818
4	Net unrealized gains (losses) on investments	4	-2,757,125
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	-2,757,125
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-7,745,943

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	178,637,053
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	-2,757,125		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV.)	2d	0		
e	Add lines **2a** through **2d**			2e	-2,757,125
3	Subtract line **2e** from line **1**			3	181,394,178
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-22,437		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	-22,437
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	181,371,741

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	186,382,996
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV.)	2d	22,437		
e	Add lines **2a** through **2d**			2e	22,437
3	Subtract line **2e** from line **1**			3	186,360,559
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	186,360,559

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Schedule D, Part V, Line 4 - Memorial's Endowment Funds are intended primarily for providing charity care.

Schedule D, Part XIII, Line 2d - Assets released from restrictions for general operations

RIDOH 2446

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

► Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HOSPITAL	05 0259004

Part I Financial Assistance and Certain Other Community Benefits at Cost

		Yes	No
1a	Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a	✓	
b	If "Yes," was it a written policy?	✓	
2	If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year. ☐ Applied uniformly to all hospital facilities ☐ Applied uniformly to most hospital facilities ☐ Generally tailored to individual hospital facilities		
3	Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.		
a	Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care: ☐ 100% ☐ 150% ☑ 200% ☐ Other _____%	✓	
b	Did the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____%		✓
c	If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?	✓	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?	✓	
b	If "Yes," did the organization's financial assistance expenses exceed the budgeted amount?	✓	
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		✓
6a	Did the organization prepare a community benefit report during the tax year?		✓
b	If "Yes," did the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Financial Assistance and Certain Other Community Benefits at Cost

Financial Assistance and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Financial Assistance at cost (from Worksheets 1 and 2)			10,551,760	5,757,941	4,793,819	
b Unreimbursed Medicaid (from Worksheet 3, column a)			28,525,420	25,544,349	2,981,071	
c Unreimbursed costs–other means-tested government programs (from Worksheet 3, column b)			0	0	0	
d **Total** Financial Assistance and Means-Tested Government Programs	0	0	39,077,180	31,302,290	7,774,890	0%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			20,750	0	20,750	
f Health professions education (from Worksheet 5)			21,651,453	6,024,995	15,626,458	
g Subsidized health services (from Worksheet 6)			0	0	0	
h Research (from Worksheet 7)			6,608,396	6,004,390	604,006	
i Cash and in-kind contributions to community groups (from Worksheet 8)			0	0	0	
j **Total.** Other Benefits	0	0	28,280,599	12,029,385	16,251,214	0%
k **Total.** Add lines 7d and 7j	0	0	67,357,779	43,331,675	24,026,104	0%

RIDOH 2447

Part II Community Building Activities Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	Total						

Part III Bad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

			Yes	No
1	Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓	
2	Enter the amount of the organization's bad debt expense (at cost)	2 7,136,177		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's financial assistance policy	3 3,280,028		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5	38,889,609
6	Enter Medicare allowable costs of care relating to payments on line 5	6	37,769,047
7	Subtract line 6 from line 5. This is the surplus (or shortfall)	7	1,120,562
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used:		

☐ Cost accounting system ☑ Cost to charge ratio ☐ Other

Section C. Collection Practices

9a	Did the organization have a written debt collection policy during the tax year?	9a	✓	
b	If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI	9b	✓	

Part IV Management Companies and Joint Ventures

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					

RIDOH 2448

Part V Facility Information

Section A. Hospital Facilities

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many hospital facilities did the organization operate during the tax year? 1

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)
1 Memorial Hospital of Rhode Island 111 Brewster Street Pawtucket, RI 02860	✓	✓		✓	✓	✓	✓		
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									

RIDOH 2449

Part V Facility Information *(continued)*

Section B. Facility Policies and Practices

(Complete a separate Section B for each of the hospital facilities listed in Part V, Section A)

Name of Hospital Facility: Memorial Hospital of Rhode Island

Line Number of Hospital Facility (from Schedule H, Part V, Section A): 1

			Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2010)				
1	During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment (Needs Assessment)? If "No," skip to line 8	1		✓
	If "Yes," indicate what the Needs Assessment describes (check all that apply):			
a	☐ A definition of the community served by the hospital facility			
b	☐ Demographics of the community			
c	☐ Existing health care facilities and resources within the community that are available to respond to the health needs of the community			
d	☐ How data was obtained			
e	☐ The health needs of the community			
f	☐ Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups			
g	☐ The process for identifying and prioritizing community health needs and services to meet the community health needs			
h	☐ The process for consulting with persons representing the community's interests			
i	☐ Information gaps that limit the hospital facility's ability to assess all of the community's health needs			
j	☐ Other (describe in Part VI)			
2	Indicate the tax year the hospital facility last conducted a Needs Assessment: 20___			
3	In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3		
4	Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI	4		
5	Did the hospital facility make its Needs Assessment widely available to the public?	5		
	If "Yes," indicate how the Needs Assessment was made widely available (check all that apply):			
a	☐ Hospital facility's website			
b	☐ Available upon request from the hospital facility			
c	☐ Other (describe in Part VI)			
6	If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply):			
a	☐ Adoption of an implementation strategy to address the health needs of the hospital facility's community			
b	☐ Execution of the implementation strategy			
c	☐ Participation in the development of a community-wide community benefit plan			
d	☐ Participation in the execution of a community-wide community benefit plan			
e	☐ Inclusion of a community benefit section in operational plans			
f	☐ Adoption of a budget for provision of services that address the needs identified in the Needs Assessment			
g	☐ Prioritization of health needs in its community			
h	☐ Prioritization of services that the hospital facility will undertake to meet health needs in its community			
i	☐ Other (describe in Part VI)			
7	Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs	7		
Financial Assistance Policy				
	Did the hospital facility have in place during the tax year a written financial assistance policy that:			
8	Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	✓	
9	Used federal poverty guidelines (FPG) to determine eligibility for providing free care to low income individuals?	9	✓	
	If "Yes," indicate the FPG family income limit for eligibility for free care: 21780 %			

RIDOH 2450

Part V Facility Information *(continued)*

			Yes	No
10	Used FPG to determine eligibility for providing *discounted* care to low income individuals?	10		✓
	If "Yes," indicate the FPG family income limit for eligibility for discounted care: _____%			
11	Explained the basis for calculating amounts charged to patients?	11	✓	
	If "Yes," indicate the factors used in determining such amounts (check all that apply):			
a	☑ Income level			
b	☐ Asset level			
c	☐ Medical indigency			
d	☑ Insurance status			
e	☑ Uninsured discount			
f	☐ Medicaid/Medicare			
g	☐ State regulation			
h	☐ Other (describe in Part VI)			
12	Explained the method for applying for financial assistance?	12	✓	
13	Included measures to publicize the policy within the community served by the hospital facility?	13	✓	
	If "Yes," indicate how the hospital facility publicized the policy (check all that apply):			
a	☑ The policy was posted on the hospital facility's website			
b	☐ The policy was attached to billing invoices			
c	☑ The policy was posted in the hospital facility's emergency rooms or waiting rooms			
d	☑ The policy was posted in the hospital facility's admissions offices			
e	☑ The policy was provided, in writing, to patients on admission to the hospital facility			
f	☑ The policy was available on request			
g	☑ Other (describe in Part VI)			

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy that explained actions the hospital facility may take upon non-payment?	14	✓	
15	Check all of the following collection actions against a patient that were permitted under the hospital facility's policies at any time during the tax year:			
a	☑ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
16	Did the hospital facility engage in or authorize a third party to perform any of the following collection actions during the tax year?	16	✓	
	If "Yes," check all collection actions in which the hospital facility or a third party engaged (check all that apply):			
a	☑ Reporting to credit agency			
b	☐ Lawsuits			
c	☐ Liens on residences			
d	☐ Body attachments			
e	☐ Other actions (describe in Part VI)			
17	Indicate which actions the hospital facility took before initiating any of the collection actions checked in line 16 (check all that apply):			
a	☑ Notified patients of the financial assistance policy on admission			
b	☑ Notified patients of the financial assistance policy prior to discharge			
c	☑ Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills			
d	☑ Documented its determination of whether a patient who applied for financial assistance under the financial assistance policy qualified for financial assistance			
e	☐ Other (describe in Part VI)			

RIDOH 2451

Part V Facility Information *(continued)*

Policy Relating to Emergency Medical Care

		Yes	No
18	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy?		
	If "No," indicate the reasons why (check all that apply):		
a	☐ The hospital facility did not provide care for any emergency medical conditions		
b	☐ The hospital facility did not have a policy relating to emergency medical care		
c	☐ The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
d	☐ Other (describe in Part VI)		

Charges for Medical Care

		Yes	No
19	Indicate how the hospital facility determined the amounts billed to individuals who did not have insurance covering emergency or other medically necessary care (check all that apply):		
a	☐ The hospital facility used the lowest negotiated commercial insurance rate for those services at the hospital facility		
b	☐ The hospital facility used the average of the three lowest negotiated commercial insurance rates for those services at the hospital facility		
c	☐ The hospital facility used the Medicare rate for those services		
d	☐ Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care?		
	If "Yes," explain in Part VI.		
21	Did the hospital facility charge any of its patients an amount equal to the gross charge for any service provided to that patient?		
	If "Yes," explain in Part VI.		

RIDOH 2452

Part V Facility Information *(continued)*

Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility

(list in order of size, measured by total revenue per facility, from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? _____

Name and address	Type of Facility (describe)
1	
2	
3	
4	
5	
6	
7	
8	
9	
10	

RIDOH 2453

Part VI Supplemental Information

Complete this part to provide the following information.

1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Schedule H, Part I, Line 3c - The hospital provides free care to all patients whose income is at, or falls below 200% of the current Federal Poverty Guidelines (Patient Rights Policy #25). For patients whose income does not qualify for free care, the hospital provides a 40% discount for all services not covered by insurance if paid within six months of service, or determination that health insurance will not cover service. This discount is not dependent on income level or asset testing.

Schedule H, Part I, Line 7 - The cost of services were calculated by multiplying the charges for those services by the ratio of cost to charges as determined in the 2011 Medicare Cost Report.

Schedule H, Part I, Line 7, Column f - N/A

Schedule H, Part I, Line 7g - N/A

Schedule H, Part III, Section A, Line 4 - Following is the text of the footnote describing bad debt expense: "In addition to the cost of charity care and other community service programs, the Hospital provided $16,371,134 and $15,657,416 for uncollectible patient accounts during the years ended September 30, 2011 and 2010, respectively". The ratio of cost to charges of .4359 was used to determine the bad debt cost reported on line 2.

Schedule H, Part III, Section B, Line 8 - The Medicare cost report was used as the source of the Medicare cost used on line 6. The result is a surplus on line 7.

Schedule H, Part III, Section C, Line 9b - The hospital's Credit and Collection policy (Patient Rights Policy # 23) states that "The hospital will at all times provide essensial care and treatment regardless of the ability of the patient to pay for the service". "The Patient Accounts Department will investigate the financial ability of each patient to pay for services and will provide financial counseling in order to ensure that the patient obtains any eligible medical coverage through their employer, the federal government, the Department of Human Services, or the hospital's Community Free Care".

Schedule H, Part V, Section B, Line 13 - The Patient Accounts Department will investigate the financial ability of each patient tp pay for services and will provide financial couseling in order to ensure that the patient obtains any eligible coverage through their employer, the

Printed on recycled paper

Part VI- Supplemental Information (Continued)

federal government, the Department of Human Services, or the hospital's Community Free Care.

Schedule H, Part VI, Line 2 - The hospital has an ongoing strategic planning process which assesses the needs of the community and the hospital's plans for meeting those needs. This planning process includes evaluation of data provided by the Hospital Association of RI, the RI Department of Health and other agencies on healthcare trends in the community. The input of the City of Pawtucket as well as other community stakeholders is continuously sought. The plan is reviewed at a joint leadership retreat which includes leaders of the medical staff, administration and the Board of Trustees. The hospital has a strong community Board of Trustees which insures that the needs of the community are represented in the governance of the hospital.

Schedule H, Part VI, Line 3 - The following procedures are followed to inform patients of their eligibility for assistance: Notification of Free Care is posted at every registration area throughout the MHRI system. The notice is posted in English, Spanish and Portuguese and has the telephone number of the Financial Counselor. The Notice of Charity Care is printed on the patient's billing statement. The Emergency Department Clinicians are edudated in regard to proper refferal process. If the patient states they are uninsured and need to seek Charity Care through discussion with the clinician, then they will be reffered to the Family Care Center at Memorial Hospital. We pre-screen all self-pay Emergency Department patients for Community Free Services. If they pass the screening they are sent o the Financial Councelor for assistance in filling out any necesssary forms. The hospital staffs a Financial Assistance Councelor in our Family Care Center to qualify patients for Medical Assistance or Free Care.

Schedule H, Part VI, Line 4 - The Following Cities and towns in the state of RI are within the primary service area of the hospital: Pawtucket, Central Falls, Cumberland, East Providence, Riverside, Rumford and Lincoln. In addition, the hospital serves the following cities and towns in Massachusetts: Attleboro, Seekonk, North Attleboro and Plainville. The majority of the patients served during the current fiscal year were from the city of Pawtucket (59%) followed by Central Falls (16%). The city of Pawtucket has a population of approximately 71M and is the forth largest city in the state. Pawtucket was a major center of manufacture of cotton textiles during the American Industrial Revolution. Slater Mill, built in 1793 by Samuel Slater in downtown Pawtucket, was the first fully mechanized cotton spinning mill in America. The textile business in Pawtucket declined during the 1930s with many manufacturers closing or moving their facilities. As of September 2011 the city's unemployment rate was 12.1%. According to the 2010 census, the median income for a household in the city was $31,775, and the median income for a family was $39,038. Males had a median income of $31,129 versus $23,391 for females. The per capita income for the city was $17,008. About 14.9% of families and 16.8% of the population were below the poverty line, including 24.5% of those under age 18 and 15.2% of those age 65 or over. The racial makeup of the city is 75.39% White, 7.31% African American, 10.75% from other races, and 5.34% from two or more races. Hispanic of any race were 13.9% of the population. 20.6% of Pawtucket residents are French or French-Canadian descent, and 11.6% of Portuguese descent. The hospital operates the Notre Dame Ambulatory Center in Central Falls, RI. Central Falls has a population of 19,042, and represents approximately 16% of the hospital's discharges. The median income for a household in the city was $22,628, and the median income for a family was $26,844. About 25.9% of families and 29% of the poulation are below the poverty line, including 40.8% of those under age 18 and 29.3% of those age 65 or over. The unemployment rate was 14.6% in September 2011. The racial makeup of Central Falls is 51.16% White, 5.82% African American, 28.35% from other races, and 7.38% from two or more races. Hispanic or Latino of any race are 47.77% of the population.

Schedule H, Part VI, Line 5 - The mission of Memorial Hospital is primary care and preventative medicine, providing advanced diagnosis and treatment with a focus on teaching and research. In order to achieve it's mission, the hospital sponsors several activities throughout the year. in FY 2011, the hospital sponsored the foloowing activities: Summer Food Safety, Blood Drive, Look Good - Feel Better, AARP Safety Driving, Hearing Screening, Emerald Bay Manor, Cholesterol/Glucose Screening, Annual Health Fair, Healthy Kids Fair, Leon Mathieu Center Fair, Progeso Latino Fair, PAWSOX, Pawtucket Rotary, College Crusade, and several fund raising "walks". Emergency Preparedness Activities- Memorial Hspital works with state and local partners in the planning and execution of disaster readiness and public health emergency activities. On a state level, MHRI is a member of the Hospital Association of Rhode Island (HARI) and participates in monthly hospital preparedness meetings with other acute care hospitals, community health centers, and the RI Department of Health. Additionally, local emergency management representatives from the five cities and towns that make up the hospital's catchment area participate in hospital Emergency Management Committe Meetings, held monthly. Local partners in conjunction with police, fire, and emergency medical services participate in hospital preparedness trainings such as evacuation, infant abduction, and severe weather scenario drills. Local partners have also worked in partnership with the hospital to support events such as hazardous material release, severe weather events, and mass vaccinations.

RIDOH 2455

Part VI- Supplemental Information (Continued)

Schedule H, Part VI, Line 6 - Other information- Memorial Hospital of Rhode Island is a 294-bed acute care, not-for-profit, teaching, community health institution providing health care to a population of approximately 300,000 residents in Pawtucket and the surrounding Blackstone Valley region of Rhode Island as well as portions of southeastern Massachusetts. The Hospital offers a comprehensive array of medical, surgical, pediatric, obstetric and ancillary services. In addition, the Hospital has developed specialized expertise in areas such as Oncology, Rehabilitative Medicine, Critical Care Medicine, Cardiology, Pulmonary Medicine, Endocrinology, Hematology, Geriatric Medicine, Infectious Disease and Primary Care. Altogether, there are 34 medical and surgical specialties represented by the physicians on the Active Staff of the Hospital. The mission of Memorial Hospital of Rhode Island is primary care and preventative medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving this mission is the medical expertise provided by the Hospital's competent and caring professional staff. The Hospital strives to achieve the timely and efficient delivery of care in a compassionate atmosphere. The vision of the Hospital is to excel as a primary health care network and community teaching hospital requiring it to: * Continuously improve the quality, maximize the value, and expand access to patient services; * Build a learning organization by creating an environment and structure that fosters role development; * Support research efforts and translate research findings into standards that measure and improve patient care for high volume and/or underserved vulnerable populations within its community. Inpatient services are provided in 227 medical/surgical beds, an 18-bed intensive/coronary care unit, a 17-bed rehabilitative medicine unit, a 22-bed pediatric unit and a 13-bed obstetrics/gynecology unit. Comprehensive outpatient services are provided at the Pawtucket campus by the Center for Primary Care and Prevention, the Ambulatory Care Center (outpatient specialty care and numerous clinics), a 24-hour Emergency Department, a Hospital-based ambulatory surgery center, an endoscopy department, rehabilitation services, a cardiac catheterization and testing lab, radiology and phlebotomy services and a multitude of physician offices/clinics providing specialty care. Primary care, urgent care, ambulatory surgery, pain management, physical and occupational therapy, and occupational health services are also provided at the Notre Dame Ambulatory Center in Central Falls, Rhode Island. This center is located on the campus of the former Notre Dame Hospital. This facility became part of the Hospital in October 1989 and was converted to a comprehensive ambulatory care center. Memorial Hospital serves as the second largest teaching hospital in the state of Rhode Island. The Hospital is formally affiliated with Brown University School of Medicine. Through this affiliation which commenced in 1969, the Hospital has been able to strengthen its commitment to provide education and research programs within the community health institution milieu. The Hospital is one of eight charter hospitals included in the Brown University program. A top priority of the Hospital has always been the integration of medical students and medical residents into the health care delivery system. The interaction with medical students and residents helps keep all members of the Hospital's community abreast of the latest developments in medicine. The Hospital sponsors medical residency programs in the following areas: Family Medicine (39 residents), Internal Medicine (30 residents), Pathology (1 resident) and Podiatry (2 residents). Additionally, fellowships in Hematology (1 fellow), Infectious Diseases (1 fellow), Pulmonary Medicine (2 fellows), Maternal and Child Health (2 fellows) and Pediatric Neuropsychiatry (1 fellow) are sponsored by the Hospital. Training programs in Nursing, Lab Technology, Nurse Anesthesiology, Physician Assistants, Pharmacy and Physical Therapy are also based at the Hospital. The Brown Medical School Residency in Family Medicine at the Hospital is considered to be one of the top programs in the country in this primary care discipline. The preventative medicine focus of the department is evidenced by various on-going research projects. Preventative medicine serves an integral role in the discipline of Family Medicine and, accordingly, it remains a key component of the Hospital's Family Medicine residency program. Memorial Hospital is also home to the Brown Medical School Primary Care Internal Medicine Residency Program. As a result of the partnership agreement between the Hospital and the Brown University School of Medicine, the Hospital is designated as the University's Center for Primary Care and Prevention. This center serves as the focal point for university-wide collaboration efforts in primary care, research, education and practice. The Hospital's Department of Medicine has many faculty who hold appointments at the Brown University School of Medicine and work on a full-time basis to educate medical students and house staff physicians. The Hospital's active medical staff also includes a large group of clinicians in private practice who volunteer their services to medical education. Together, these faculty create a complementary staff of expert physicians and scientists. Research Research is also a core value of Memorial Hospital. The research interests of the staff at the Hospital cover a wide area of medical disciplines. There is, however, one major thrust at the Hospital which is common to all of the research programs operating at the Hospital. This common thrust is to make the Hospital a leader in primary care and preventative medicine. There are over one hundred and thirty (130) active research studies at the hospital funded by nearly $6.5 million in annualized grant revenue. These studies are funded through a variety of federal, state and private grants.

RIDOH 2456

SCHEDULE J
(Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05-0259004

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain 1b		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? 2		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☑ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment from the organization or a related organization? 4a		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? 4b		✓
c	Participate in, or receive payment from, an equity-based compensation arrangement? 4c		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? 5a		✓
b	Any related organization? 5b		✓
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? 6a		✓
b	Any related organization? 6b		✓
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III 7		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III 8		✓
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? 9		

RIDOH 2457

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Francis R Dietz	(i)	601,254	0	0	0	15,262	616,516	3,305,666
1	(ii)	0	0	0	0	0	0	0
Michael J Ryan	(i)	192,001	0	0	0	35,197	227,198	225,559
2	(ii)	0	0	0	0	0	0	0
Elizabeth Girard	(i)	170,739	0	0	0	19,292	190,031	199,553
3	(ii)	0	0	0	0	0	0	0
Michelle MacDonald Gallagher	(i)	265,000	0	0	0	38,156	303,156	300,210
4	(ii)	0	0	0	0	0	0	0
Martin Tursky	(i)	418,405	0	0	0	38,138	456,543	402,784
5	(ii)	0	0	0	0	0	0	0
Jeffrey Borkan MD	(i)	284,665	0	0	0	21,125	305,790	296,651
6	(ii)	0	0	0	0	0	0	0
Andrew Artenstein MD	(i)	297,962	0	0	0	21,339	319,301	291,404
7	(ii)	0	0	0	0	0	0	0
Brian Wiley MD	(i)	302,454	0	0	0	12,420	314,874	307,950
8	(ii)	0	0	0	0	0	0	0
Noubar Kessimian MD	(i)	271,250	0	0	0	20,909	292,159	283,463
9	(ii)	0	0	0	0	0	0	0
John Riedel MD	(i)	276,996	0	0	0	21,002	297,998	0
10	(ii)	0	0	0	0	0	0	0
	(i)							
11	(ii)							
	(i)							
12	(ii)							
	(i)							
13	(ii)							
	(i)							
14	(ii)							
	(i)							
15	(ii)							
	(i)							
16	(ii)							

RIDOH 2458

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

RIDOH 2459

SCHEDULE K
(Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information in Part V.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05-0259004

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No	(i) Pooled financing Yes	(i) Pooled financing No
A	Rhode Island Health and Educational Building Corp	52-1300173	762243EY5	12/24/2003	25,358,159	Capital Renovations and Equipment Purchases		✓		✓		✓
B												
C												
D												

Part II Proceeds

		A	B	C	D
1	Amount of bonds retired				
2	Amount of bonds legally defeased				
3	Total proceeds of issue	0			
4	Gross proceeds in reserve funds				
5	Capitalized interest from proceeds				
6	Proceeds in refunding escrows				
7	Issuance costs from proceeds				
8	Credit enhancement from proceeds				
9	Working capital expenditures from proceeds				
10	Capital expenditures from proceeds				
11	Other spent proceeds				
12	Other unspent proceeds				
13	Year of substantial completion				

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
14	Were the bonds issued as part of a current refunding issue?	✓							
15	Were the bonds issued as part of an advance refunding issue?		✓						
16	Has the final allocation of proceeds been made?	✓							
17	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓							

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓						
2	Are there any lease arrangements that may result in private business use of bond-financed property?		✓						

RIDOH 2460

Part III Private Business Use *(Continued)*

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
3a	Are there any management or service contracts that may result in private business use of bond-financed property?		✓						
b	Are there any research agreements that may result in private business use of bond-financed property?		✓						
c	Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		✓						
4	Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%
5	Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%
6	Total of lines 4 and 5		0 %		%		%		%
7	Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		✓						

Part IV Arbitrage

		A		B		C		D	
		Yes	No	Yes	No	Yes	No	Yes	No
1	Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		✓						
2	Is the bond issue a variable rate issue?		✓						
3a	Has the organization or the governmental issuer entered into a qualified hedge with respect to the bond issue?		✓						
b	Name of provider								
c	Term of hedge								
d	Was the hedge superintegrated?								
e	Was the hedge terminated?								
4a	Were gross proceeds invested in a GIC?		✓						
b	Name of provider								
c	Term of GIC								
d	Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?								
5	Were any gross proceeds invested beyond an available temporary period?		✓						
6	Did the bond issue qualify for an exception to rebate?		✓						

Part V Supplemental Information. Complete this part to provide additional information for responses to questions on Schedule K (see instructions).

RIDOH 2461

SCHEDULE O (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

Complete to provide information for responses to specific questions on Form 990 or 990-EZ or to provide any additional information.

▶ Attach to Form 990 or 990-EZ.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05-0259004

Form 990, Part VI, Section B, Line 11b - Once the independent audit is complete, the Controller of the organization gathers all the necessary information from various employees, departments and governing members. Several schedules are prepared to tie out different line items of the Form 990. The Controller then utilizes an on-line software to complete the 990. The software used ensures that all required fields and supplemental schedules are attached. The software verifies when the Form is complete and there are no errors. The draft 990 is then printed and submitted to the President for review. Copies are made and presented to each board member for their review. All disscussion of the 990 is documented in the minutes. The President informs the Controller of any changes or additions to the Form that result from the board review. The Controller makes all necessary changes and resubmits to the President for signature. Once signed, the 990 is electronically submitted to the IRS.

Form 990, Part VI, Section B, Line 12c - Every Board member, volunteer and employee is required to complete a Conflict of Interest Form on an annual basis. Any conflicts of interest must be disclosed. Signatures are required on all forms.

Form 990, Part VI, Section B, Line 15 - The organization has an Executive Committee which also acts as a Compensation Committee for the compensation of the CEO. In order to determine compensation, surveys are conducted for area CEOs. The committee also utilizes 990s from other hospitals in the state of RI. The compensation is approved by the Board of Directors, and a written employment contract is signed. The CEOs salary is reviewed each year, and is usually increased by a percentage no higher than the employees of receive from the hospital.

Form 990, Part VI, Section C, Line 19 - The Annual Reports for the hospital are posted on the organization's website. It is noted on the website that the hospital has a Conflict of Interest Policy and that copies are available upon request. The phone numbers of the Public Relations Department are posted on the website as well. The PR Department has been instructed tho direct any requests for Audited Financial Statements and or 990s to the Controller's office. Both are made available in hardcopy or electronically.

Form 990, Part XI, Line 5 - The Additional Minimum Pension Liability accounts for the majority of the decrease in Other Changes in Net Assets in the amount of $12,124,629. Unrealized losses account for the rest.

Reasonable Cause Explanations

Explanation
N/A

RIDOH 2463

First Program Service Accomplishments Description

Description

its patients with 32,195 ER visits. Primarily through the Department of Family Medicine, Memorial attempts to integrate patient care within the context of the patients family, and, whenever possible and appropriate, care for the family as a unit. Memorial also seeks to cooperate with community organizations in the management of patient care. The Department of Family Medicine follows patients in whatever setting they present, whether home, nursing home or tertiary care center. To help accomplish this goal, Memorial has a Homecare Department which works with the Department of Medicine, Nursing, Social Services, Physical Therapy, Utilization Review, Medical/Surgical Supply and Pharmacy to ensure that patients leaving the inpatient services receive continuous and appropriate care after leaving Memorial. Memorial has well developed programs in Occupational Health, Physical Therapy and Medical Rehabilitation. Memorial's research is internationally recognized. Many of the materials and procedures developed are being used all over the country. Two of the many widely recognized programs at Memorial are the Osteoarthritis Initiative and the Women's Health Initiative. Memorial's research efforts are guided by the goal of working to address unmet health needs in the community. Memorial's Department of Family Medicine accepts approximately 13 residents per year for a total of 39 residents in the training program. This program is nationally competitive, matching with high qualit residents in spite of the decreasing interest of medical students in primary care specialties. The Department of Family Medicine has developed a model teaching community health center at two centers which serve a large number of medically indegent patients in the Blackstone Valley. These models of community based education, research and patient care serve as training sites for residents who desire a career in rural or urban community health centers.

RIDOH 2464

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

► Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
► Attach to Form 990. ► See separate instructions.

OMB No. 1545-0047

2010

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05-0259004

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity? Yes	(g) Section 512(b)(13) controlled entity? No
(1) RS Realty Company (05-0343043) 111 Brewster Street, Pawtucket, RI 02860	Provide rental property for affiliated subsidiaries and	RI	501(c)2		N/A		
(2) Southeastern Healthcare System Inc (06-1476858) 111 Brewster Street, Pawtucket, RI 02860	Develop and maintain an integrated healthcare system	RI	501(c)3	11 Type II	N/A		
(3) SHS Ventures Inc (05-0510341) 111 Brewster Street, Pawtucket, RI 02860	Provide Primary Healthcare Services	RI	501(c)3	9	N/A		
(4) Blackstone Health Inc (05-0427007) 111 Brewster Street, Pawtucket, RI 02860	Provide a continuum of care	RI	501(c)3	9	N/A		
(5)							
(6)							
(7)							

RIDOH 2465

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No	(k) Percentage ownership
(1)												
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) Primary Care Centers of New England Inc (05-0423957) 111 Brewster Street, Pawtucket, RI 02860	Provide Support Staff to affiliates	RI	N/A	C			100%
(2) Memorial Physician Hospital Organization Inc (05-0462438 111 Brewster Street, Pawtucket, RI 02860	Health Service Contracting	RI	N/A	C			50%
(3)							
(4)							
(5)							
(6)							
(7)							

RIDOH 2466

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, 35a, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

			Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?			
a	Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b	✓	
c	Gift, grant, or capital contribution from other organization(s)	1c	✓	
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	✓	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	✓	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	✓	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	✓	
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q		✓
r	Other transfer of cash or property from other organization(s)	1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved	(d) Method of determining amount involved
See Schedule R, Part VII, Statement 1				
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				

RIDOH 2467

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No
(1)										
(2)										
(3)										
(4)										
(5)										
(6)										
(7)										
(8)										
(9)										
(10)										
(11)										
(12)										
(13)										
(14)										
(15)										
(16)										

RIDOH 2468

Part VII **Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

RIDOH 2469

Description of Covered Relationships and Transaction Thresholds

		Amount Involved
Name	RS Realty Company	57,600
Transaction type	j	
Method of determining amount involved	Checks written	
Name	RS Realty Company	37,500
Transaction type	i	
Method of determining amount involved	checks received	
Name	SHS Ventures Inc	300,000
Transaction type	b	
Method of determining amount involved	checks written	
Name	SHS Ventures Inc	42,782
Transaction type	k	
Method of determining amount involved	Amount invoiced for percentage of collections	
Name	SHS Ventures Inc	159,840
Transaction type	j	
Method of determining amount involved	rental agreement	
Name	Southeastern Healthcare System Inc	60,000
Transaction type	k	
Method of determining amount involved	checks received	
Name	Blackstone Health Inc	36,000
Transaction type	k	
Method of determining amount involved	checks received	
Name	Blackstone Health Inc	100,000
Transaction type	c	
Method of determining amount involved	check received	
Name	RS Realty Company	100,000
Transaction type	c	
Method of determining amount involved	check received	
Name	Primary Care Centers of New England Inc	371,800
Transaction type	l	
Method of determining amount involved	actual cost of salaries and related benefits expensed as purchased services in outpatient areas of PT, OT, Lab, and Radiology	

*** Form 990 Online Filers: Please fax completed and signed form to 866-699-3916

Form **8453-EO**

Department of the Treasury
Internal Revenue Service

Exempt Organization Declaration and Signature for Electronic Filing

For calendar year 2010, or tax year beginning 10/01, 2010, and ending 09/30, 20 11

For use with Forms 990, 990-EZ, 990-PF, 1120-POL, and 8868

▶ See instructions on back.

OMB No. 1545-1879

2010

Name of exempt organization	Employer identification number
MEMORIAL HOSPITAL	05-0259004

Part I Type of Return and Return Information (Whole Dollars Only)

Check the box for the type of return being filed with Form 8453-EO and enter the applicable amount, if any, from the return. If you check the box on line **1a, 2a, 3a, 4a,** or **5a** below and the amount on that line of the return being filed with this form was blank, then leave line **1b, 2b, 3b, 4b,** or **5b,** whichever is applicable, blank (do not enter -0-). If you entered -0- on the return, then enter -0- on the applicable line below. **Do not** complete more than one line in Part I.

1a	**Form 990** check here ▶ ☑	b	**Total revenue,** if any (Form 990, Part VIII, column (A), line 12) . .	1b 181,371,741
2a	**Form 990-EZ** check here ▶ ☐	b	**Total revenue,** if any (Form 990-EZ, line 9)	2b
3a	**Form 1120-POL** check here ▶ ☐	b	**Total tax** (Form 1120-POL, line 22).	3b
4a	**Form 990-PF** check here ▶ ☐	b	**Tax based on investment income** (Form 990-PF, Part VI, line 5)	4b
5a	**Form 8868** check here ▶ ☐	b	**Balance due** (Form 8868, Part I, line 3c or Part II, line 8c) . . .	5b

Part II Declaration of Officer

6 ☐ I authorize the U.S. Treasury and its designated Financial Agent to initiate an Automated Clearing House (ACH) electronic funds withdrawal (direct debit) entry to the financial institution account indicated in the tax preparation software for payment of the organization's federal taxes owed on this return, and the financial institution to debit the entry to this account. To revoke a payment, I must contact the U.S. Treasury Financial Agent at 1-888-353-4537 no later than 2 business days prior to the payment (settlement) date. I also authorize the financial institutions involved in the processing of the electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

☐ If a copy of this return is being filed with a state agency(ies) regulating charities as part of the IRS Fed/State program, I certify that I executed the electronic disclosure consent contained within this return allowing disclosure by the IRS of this Form 990/990-EZ/990-PF (as specifically identified in Part I above) to the selected state agency(ies).

Under penalties of perjury, I declare that I am an officer of the above named organization and that I have examined a copy of the organization's 2010 electronic return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that the amount in Part I above is the amount shown on the copy of the organization's electronic return. I consent to allow my intermediate service provider, transmitter, or electronic return originator (ERO) to send the organization's return to the IRS and to receive from the IRS **(a)** an acknowledgement of receipt or reason for rejection of the transmission, **(b)** the reason for any delay in processing the return or refund, and **(c)** the date of any refund.

Sign Here ▶ Signature of officer | Date 8/15/12 | **Arthur Deblois, President** Title

Part III Declaration of Electronic Return Originator (ERO) and Paid Preparer (see instructions)

I declare that I have reviewed the above organization's return and that the entries on Form 8453-EO are complete and correct to the best of my knowledge. If I am only a collector, I am not responsible for reviewing the return and only declare that this form accurately reflects the data on the return. The organization officer will have signed this form before I submit the return. I will give the officer a copy of all forms and information to be filed with the IRS, and have followed all other requirements in Pub. 4163, Modernized e-File (MeF) Information for Authorized IRS *e-file* Providers for Business Returns. If I am also the Paid Preparer, under penalties of perjury I declare that I have examined the above organization's return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. This Paid Preparer declaration is based on all information of which I have any knowledge.

ERO's Use Only	ERO's signature ▶	Date	Check if also paid preparer ☐	Check if self-employed ☐	ERO's SSN or PTIN
	Firm's name (or yours if self-employed), address, and ZIP code ▶				EIN / Phone no.

Under penalties of perjury, I declare that I have examined the above return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. Declaration of preparer is based on all information of which the preparer has any knowledge.

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check ☐ if self- employed	PTIN
	Firm's name ▶			Firm's EIN ▶	
	Firm's address ▶			Phone no.	

For Privacy Act and Paperwork Reduction Act Notice, see back of form. Cat. No. 36606Q Form **8453-EO** (2010)

RIDOH 2471

Susan Albin

From: efiletechsupport@urban.org
Sent: Wednesday, August 15, 2012 1:32 PM
To: Susan_Albin@mhri.org; Arthur_Deblois@mhri.org
Subject: IRS Form 990 E-filing Receipt - Status: REJECTED

Organization: MEMORIAL HOSPITAL
EIN: 05-0259004
Form Type: IRS Form 990
Tax Year: 2010 (10/1/2010 - 9/30/2011)

Filing Status Page: http://efile.form990.org/frmNPCheckFedStateGroupStatus.asp?GroupID=118547

Thank you for using the Form 990 Online system for preparing and electronically filing your IRS Form 990 return. This email contains some identifying information about the return we transmitted to the IRS (you may want to keep this email in case you need to contact the IRS regarding this return):

We have transmitted your return to the IRS and, unfortunately, the IRS has rejected the return with the following errors:

F990-177: If Form 990, Part IV, Line 20b, checkbox "No" is checked and the tax period ending date in the Return Header is "20110331" or later, reject the return.

The above return was rejected because you answer "Yes" to line 20a but did not attach the file in line 20b of Part IV.

In order to allow you to correct these errors, we have moved your return back into 'Edit' mode. Once you have corrected the errors, please mark the return as complete, authenticate the return, and Fax us the Signature form. Once you have done those things we will re-transmit your return to the IRS.

If you have any questions about the errors listed above, please contact the IRS Tax Exempt Help Desk at 877-829-5500.

Please visit http://efile.form990.org to stay informed of updates to our efiling systems and new services for the nonprofit sector.

Thank you for using the Form 990 Online system.

Form 990 Online technical support
Phone: 888-666-1773 (toll free)
email: efiletechsupport@urban.org

Thank you for using the 990 Online system for preparing your return.

990 Online Technical Support Team

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2009

Open to Public Inspection

A For the 2009 calendar year, or tax year beginning 10/01 , 2009, and ending 09/30 , 20 10

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Terminated
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) Room/suite

111 Brewster Street

City or town, state or country, and ZIP + 4

Pawtucket, RI 02860-4499

D Employer identification number 05 : 0259004

E Telephone number (401) 729-2000

G Gross receipts $ 203,028,934

F Name and address of principal officer: Francis R Dietz
111 Brewster Street, Pawtucket, RI 02860

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c) (3) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.mhri.org

K Form of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1901

M State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3	Number of voting members of the governing body (Part VI, line 1a)	3	17
4	Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5	Total number of employees (Part V, line 2a)	5	2,418
6	Total number of volunteers (estimate if necessary)	6	147
7a	Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
b	Net unrelated business taxable income from Form 990-T, line 34	7b	0

		Prior Year	Current Year
Revenue	8 Contributions and grants (Part VIII, line 1h)	4,798,052	6,925,155
	9 Program service revenue (Part VIII, line 2g)	168,450,851	173,280,023
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-2,377,629	1,785,995
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,000,427	927,532
	12 Total revenue – add lines 8 through 11 (must equal Part VIII, column (A), line 12)	171,871,701	182,918,705
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
	14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	110,216,401	112,172,988
	16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
	b Total fundraising expenses (Part IX, column (D), line 25) ▶ 10,692		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	68,511,037	72,586,816
	18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	178,727,438	184,759,804
	19 Revenue less expenses. Subtract line 18 from line 12	-6,855,737	-1,841,099

		Beginning of Current Year	End of Year
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	119,109,206	114,145,854
	21 Total liabilities (Part X, line 26)	85,410,796	81,760,941
	22 Net assets or fund balances. Subtract line 21 from line 20	33,698,410	32,384,913

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer Date

▶ Francis Dietz, President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ▶ ☐ Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ EIN ▶ Phone no. ▶ ( )

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

RIDOH 2474

Part III Statement of Program Service Accomplishments

1 Briefly describe the organization's mission:
Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving our mission is the medical expertise provided by our competent and caring professional staff. We strive to achieve the timely and efficient delivery of care in a compassionate atmosphere.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 161,252,496 including grants of $ 0) (Revenue $ 0)
Health Care Delivery & Management Funds received were used to provide funding for the exempt purpose of general patient care. The Memorial Hospital is an acute care, not-for-profit teaching community health institution and research facility serving the Blackstone Valley community of Rhode Island and Massachusetts. Memorial, which is located in Pawtucket, Rhode Island, is a teaching affiliate of the Warren Alpert Medical School of Brown University and the chief site for the medical schools primary care academic program housed in the Center for Primary Care. Memorials goals are to provide quality multi-disiplinary services, to see patients regardless of race, color, national origin, socioeconomic status or place of residence and to act as an educational resource for patients, physicians, nurses and the community. Memorial provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less thanits established rates. Because Memorial does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Memorial provided 30,679 patient days of service in the year ended September 30, 2010. Memorial had 6,572
(Continued on Schedule O, Statement 2)

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e Total program service expenses ▶ 161,252,496

RIDOH 2475

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		✓
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	Is the organization's answer to any of the following questions "Yes"? *If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	✓	
	• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? *If "Yes," complete Schedule D, Part VI.*			
	• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VII.*			
	• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part VIII.*			
	• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? *If "Yes," complete Schedule D, Part IX.*			
	• Did the organization report an amount for other liabilities in Part X, line 25? *If "Yes," complete Schedule D, Part X.*			
	• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? *If "Yes," complete Schedule D, Part X.*			
12	Did the organization obtain separate, independent audited financial statements for the tax year? *If "Yes," complete Schedule D, Parts XI, XII, and XIII.*	12		✓
12A	Was the organization included in consolidated, independent audited financial statements for the tax year? *If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.* (Yes ✓ / No)	12A	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the United States?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the United States? *If "Yes," complete Schedule F, Part I*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II.*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		✓
17	Did the organization report a total of more than $15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? *If "Yes," complete Schedule G, Part I*	17		✓
18	Did the organization report more than $15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 of gross income from gaming activities on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	✓	

RIDOH 2476

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
21	Did the organization report more than $5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II.*	21		✓
22	Did the organization report more than $5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? *If "Yes," complete Schedule J*	23	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.*	24a	✓	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓
28	Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):			
a	A current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28a		✓
b	A family member of a current or former officer, director, trustee, or key employee? *If "Yes," complete Schedule L, Part IV*	28b		✓
c	An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	✓	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? **Note.** All Form 990 filers are required to complete Schedule O.	38	✓	

RIDOH 2477

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 58		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 2418		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to *e-file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		✓
b	If "Yes," enter the name of the foreign country: ▶ ..... See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Does the organization have annual gross receipts that are normally greater than $100,000, and did the organization solicit any contributions that were not tax deductible?	6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization receive a payment in excess of $75 made partly as a contribution and partly for goods and services provided to the payor?	7a		✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		✓
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		✓
8	**Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		

RIDOH 2478

Part VI **Governance, Management, and Disclosure** *For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.*

Section A. Governing Body and Management

			Yes	No
1a	Enter the number of voting members of the governing body	17		
b	Enter the number of voting members that are independent	16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?			✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?			✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?			✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?			✓
6	Does the organization have members or stockholders?			✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?			✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?			✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?		✓	
b	Each committee with authority to act on behalf of the governing body?		✓	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*			✓

Section B. Policies *(This Section B requests information about policies not required by the Internal Revenue Code.)*

		Yes	No
10a	Does the organization have local chapters, branches, or affiliates?		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?		
11	Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	✓	
11A	Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	✓	
13	Does the organization have a written whistleblower policy?	✓	
14	Does the organization have a written document retention and destruction policy?	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a	The organization's CEO, Executive Director, or top management official	✓	
b	Other officers or key employees of the organization		✓
	If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☑ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Francis R Dietz, (401)729-2000
111 Brewster Street, Pawtucket, RI 02860-4499

RIDOH 2479

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's **current** key employees. See instructions for definition of "key employee."
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Robert Andrade Vice Chairman	0.25	✓		✓				0	0	0
Robert MacKenzie Assistant Secretary	0.25	✓		✓				0	0	0
Paul Mooney Trustee	0.25	✓						0	0	0
John J Partridge Trustee	0.25	✓						0	0	0
Virginia Roberts Trustee	0.25	✓						0	0	0
Karl Sherry Trustee	0.25	✓						0	0	0
Donna Brady Trustee	0.25	✓						0	0	0
Arthur Deblois III Trustee	0.25	✓						0	0	0
Alfred Degen Trustee	0.25	✓						0	0	0
William Kapos Treasurer	0.25	✓		✓				0	0	0
Gary E Furtado Trustee	0.25	✓						0	0	0
William J Hunt Chairman	0.25	✓		✓				0	0	0
Patrick J Murray Assistant Treasurer	0.25	✓		✓				0	0	0
Greg Scown Trustee	0.25	✓						0	0	0
James Hahn Trustee	0.25	✓						0	0	0
Edna Poulin Secretary	0.25			✓				0	0	0

RIDOH 2480

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Francis R Dietz President	60			✓				3,292,064	0	13,602
Michael J Ryan Sr Vice Pres Finance	50			✓				192,001	0	33,558
Elizabeth Girard Sr. Vice President	50			✓				179,001	0	20,552
Michelle MacDonald Gallagher Sr VP Clinical Oper.	50			✓				265,000	0	35,210
Martin Tursky Chief Operating Officer	50			✓				367,790	0	34,994
Jeffrey Borkan MD Chief of Family Med	40					✓		277,684	0	18,967
Andrew Artenstein MD Physician in Chief	40					✓		272,500	0	18,904
Vera A Depalo MD Associate Chief	40					✓		290,194	0	10,488
Brian Wiley MD Emergency Physician	40					✓		297,375	0	10,575
Noubar Kessimian MD Pathology in Chief	40					✓		264,654	0	18,809
1b Total ▶								5,698,263	0	215,659

2 Total number of individuals (including but not limited to those listed above) who received more than $100,000 in reportable compensation from the organization ▶ 108

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	✓	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
Aramark Corporation, PO Box 651009, Charlotte, NC 28265-1009	Dietary Services	779,206
Quest Diagnostics, 3924 Collection Center Drive, Chicago, IL 60693-0039	Laboratory Services	717,921
Brown University, PO Box 1939, Providence, RI 02912	Physicians	568,011
University Surgical Associates, 593 Eddy Street, Apt 431, Providence, RI 02	Surgical Physician Servic	565,000
BWPO Medicine, PO Box 3684, Boston, MA 02241-3684	Physician Services (E/R a	467,500

2 Total number of independent contractors (including but not limited to those listed above) who received more than $100,000 in compensation from the organization ▶ 14

RIDOH 2481

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 0				
	b Membership dues	1b 0				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 5,123,296				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 1,801,859				
	g Noncash contributions included in lines 1a-1f: $ 0					
	h **Total.** Add lines 1a–1f ▶		6,925,155			
Program Service Revenue		Business Code				
	2a Patient Service Revenue	622000	173,280,023	173,280,023	0	0
	b					
	c					
	d					
	e					
	f All other program service revenue		0	0	0	0
	g **Total.** Add lines 2a–2f ▶		173,280,023			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		958,476	0	0	958,476
	4 Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
	5 Royalties ▶		0	0	0	0
		(i) Real / (ii) Personal				
	6a Gross Rents	0 / 0				
	b Less: rental expenses	0 / 0				
	c Rental income or (loss)	0 / 0				
	d Net rental income or (loss) ▶		0	0	0	0
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	20,933,348 / 4,400				
	b Less: cost or other basis and sales expenses	20,110,229 / 0				
	c Gain or (loss)	823,119 / 4,400				
	d Net gain or (loss) ▶		827,519	0	0	827,519
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a Cafeteria Revenue	561499	908,819	0	0	908,819
	b Pharmacy Sales to employees	561499	18,713	0	0	18,713
	c					
	d All other revenue		0	0	0	0
	e **Total.** Add lines 11a–11d ▶		927,532			
	12 **Total revenue.** See instructions. ▶		182,918,705	173,280,023	0	2,713,527

RIDOH 2482

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	4,433,772	0	4,433,772	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	78,810,718	70,746,305	8,054,591	9,822
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	5,348,836	4,802,108	546,728	0
9 Other employee benefits	18,130,512	16,277,205	1,853,188	119
10 Payroll taxes	5,449,150	4,891,494	556,905	751
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	223,954	0	223,954	0
c Accounting	191,700	0	191,700	0
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other	10,531,008	8,581,531	1,949,477	0
12 Advertising and promotion	31,246	28,052	3,194	0
13 Office expenses	12,258,624	9,395,473	2,863,151	0
14 Information technology	0	0	0	0
15 Royalties	0	0	0	0
16 Occupancy	2,736,041	2,077,829	658,212	0
17 Travel	328,174	294,630	33,544	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	0	0	0	0
20 Interest	1,287,152	1,287,152	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	4,064,590	3,625,112	439,478	0
23 Insurance	2,515,677	1,866,385	649,292	0
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Provision for Bad Debts	15,636,574	15,636,574	0	0
b Licensing fee	7,178,101	7,178,101	0	0
c Non Medical Supplies	2,685,392	2,237,858	447,534	0
d Pharmaceutcals and IVs	7,218,391	7,216,907	1,484	0
e Physician and Grant Activity	4,730,117	4,730,117	0	0
f All other expenses	970,075	379,663	590,412	0
25 **Total functional expenses.** Add lines 1 through 24f	184,759,804	161,252,496	23,496,616	10,692
26 **Joint costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2483

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		588,412	1	337,609
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		403,319	3	202,392
	4	Accounts receivable, net		35,678,288	4	33,857,809
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		752,440	8	802,038
	9	Prepaid expenses and deferred charges		1,081,771	9	843,458
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 110,262,272			
	b	Less: accumulated depreciation	10b 76,354,063	34,324,599	10c	33,908,209
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities. See Part IV, line 11		42,956,852	12	41,493,988
	13	Investments—program-related. See Part IV, line 11			13	
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		3,323,525	15	2,700,351
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		119,109,206	16	114,145,854
Liabilities	17	Accounts payable and accrued expenses		24,042,519	17	24,669,860
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		14,275,868	20	12,693,483
	21	Escrow or custodial account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable to unrelated third parties		0	24	0
	25	Other liabilities. Complete Part X of Schedule D		47,092,409	25	44,397,598
	26	**Total liabilities.** Add lines 17 through 25		85,410,796	26	81,760,941
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		23,646,082	27	21,656,473
	28	Temporarily restricted net assets		691,314	28	1,015,273
	29	Permanently restricted net assets		9,361,014	29	9,713,167
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		33,698,410	33	32,384,913
	34	Total liabilities and net assets/fund balances		119,109,206	34	114,145,854

RIDOH 2484

Part XI Financial Statements and Reporting

		Yes	No
1	Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other _____ If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		✓
b	Were the organization's financial statements audited by an independent accountant?	✓	
c	If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.	✓	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both: ☐ Separate basis ☑ Consolidated basis ☐ Both consolidated and separate basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	✓	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.	✓	

RIDOH 2485

SCHEDULE A (Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HOSPITAL	05 0259004

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: .....

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).**

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?	11g(i)	
(ii) A family member of a person described in (i) above?	11g(ii)	
(iii) A 35% controlled entity of a person described in (i) or (ii) above?	11g(iii)	

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

RIDOH 2486

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2008 Schedule A, Part II, line 14 . . . . . 15 %

16a **33⅓ % support test—2009.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓ % support test—2008.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2009.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

b **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

RIDOH 2487

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of $5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2009** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2008** Schedule A, Part III, line 17	18	%

19a **33⅓ % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓ % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2488

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

RIDOH 2489

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
MEMORIAL HOSPITAL

Employer identification number
05 : 0259004

Part I **Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No

Part II **Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
- ☐ Preservation of land for public use (e.g., recreation or pleasure)
- ☐ Protection of natural habitat
- ☐ Preservation of open space
- ☐ Preservation of an historically important land area
- ☐ Preservation of a certified historic structure

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ .....

4 Number of states where property subject to conservation easement is located ▶ .....

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ .....

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ $ .....

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III **Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ .....

(ii) Assets included in Form 990, Part X ▶ $ .....

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ .....

b Assets included in Form 990, Part X ▶ $ .....

RIDOH 2490

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

a ☐ Public exhibition
b ☐ Scholarly research
c ☐ Preservation for future generations
d ☐ Loan or exchange programs
e ☐ Other .....

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c	Beginning balance	1c
d	Additions during the year	1d
e	Distributions during the year	1e
f	Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? . . . ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	9,361,014	9,438,660			
b Contributions	34	0			
c Net investment earnings, gains, and losses	352,119	-77,646			
d Grants or scholarships	0	0			
e Other expenditures for facilities and programs	0	0			
f Administrative expenses	0	0			
g End of year balance	9,713,167	9,361,014			

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► 0 %
b Permanent endowment ► 100 %
c Term endowment ► 0 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	✓	
(ii) related organizations		✓

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . 3b

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land	1,822,002	0		1,822,002
b Buildings	47,316,113	0	28,391,035	18,925,078
c Leasehold improvements	0	0	0	0
d Equipment	59,562,485	0	46,508,118	13,054,367
e Other	1,561,672	0	1,454,910	106,762
Total. Add lines 1a through 1e. *(Column (d) must equal Form 990, Part X, column (B), line 10(c).)* ►				33,908,209

RIDOH 2491

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives	0	
Closely-held equity interests	0	
Other Stocks	17,081,951	End-of-Year Market Value
Bonds	8,406,937	End-of-Year Market Value
Other	15,855,100	End-of-Year Market Value
Dividend Receivable	150,000	End-of-Year Market Value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 12.)* ▶	41,493,988	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Deferred Financing Costs	234,078
Estimated Third Party Receivable	2,466,273
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 15.)* ▶	2,700,351

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	0
Current Portion of Long-Term Debt	1,582,385
Line of Credit	5,000,000
Accrued Interest Payable	159,384
Insurance Claims Reserve	981,582
Minimum Pension Liability	36,591,747
Other Liabilities - Deferred Compensation	82,500
Total. *(Column (b) must equal Form 990, Part X, col. (B) line 25.)* ▶	44,397,598

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 2492

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	182,918,705
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	184,759,804
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-1,841,099
4	Net unrealized gains (losses) on investments	4	1,169,187
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	1,169,187
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	-671,912

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	184,196,780
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	1,169,188		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV.)	2d	0		
e	Add lines **2a** through **2d**			2e	1,169,188
3	Subtract line **2e** from line **1**			3	183,027,592
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-108,887		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	-108,887
5	Total revenue. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 12.)*			5	182,918,705

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	184,868,691
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Other losses	2c	0		
d	Other (Describe in Part XIV.)	2d	108,887		
e	Add lines **2a** through **2d**			2e	108,887
3	Subtract line **2e** from line **1**			3	184,759,804
4	Amounts included on Form 990, Part IX, line 25, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV.)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** *(This must equal Form 990, Part I, line 18.)*			5	184,759,804

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Schedule D, Part V, Line 4 - The permenantly restricted endowments are maintained to earn income. The income is transfered to operations to provide beds for unisured persons.

Schedule D, Part X - The adoption of FIN48 had no impat on the financial statements of The Memorial Hospital.

Schedule D, Part XIII, Line 2d - Assets released from restrictions for general operations

RIDOH 2493

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 20.
▶ Attach to Form 990.
▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
MEMORIAL HOSPITAL

Employer identification number
05 : 0259004

Part I Charity Care and Certain Other Community Benefits at Cost

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a	✓	
1b	b If "Yes," is it a written policy?	✓	
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
3a	a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: ☐ 100% ☐ 150% ☑ 200% ☐ Other _____ %	✓	
3b	b Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %		✓
	c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?	✓	
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?	✓	
5b	b If "Yes," did the organization's charity care expenses exceed the budgeted amount?	✓	
5c	c If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		✓
6a	Does the organization prepare an annual community benefit report?		✓
6b	b If "Yes," does the organization make it available to the public?		
	Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.		

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheets 1 and 2)			9,950,480	8,489,049	1,461,431	0.8%
b Unreimbursed Medicaid (from Worksheet 3, column a)			28,322,590	25,786,108	2,536,482	1.4%
c Unreimbursed costs—other means-tested government programs (from Worksheet 3, column b)						
d **Total** Charity Care and Means-Tested Government Programs	0	0	38,273,070	34,275,157	3,997,913	2.2%
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)			47,929	1,021	46,908	0%
f Health professions education (from Worksheet 5)			20,585,288	6,073,162	14,512,126	7.9%
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)			5,449,161	4,877,567	571,594	0.3%
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total.** Other Benefits	0	0	26,082,378	10,951,750	15,130,628	8.2%
k **Total.** Add lines 7d and 7j	0	0	64,355,448	45,226,907	19,128,541	10.4%

RIDOH 2494

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities.

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support			11,700			0%
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**	0	0	11,700	0	0	0%

Part III **Bad Debt, Medicare, & Collection Practices**

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓	
2	Enter the amount of the organization's bad debt expense (at cost)	2 7,276,001		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy.	3 3,667,105		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5 39,768,017		
6	Enter Medicare allowable costs of care relating to payments on line 5	6 37,640,317		
7	Subtract line 6 from line 5. This is the surplus or (shortfall)	7 2,127,700		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: ☐ Cost accounting system ☑ Cost to charge ratio ☐ Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a	✓	
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b	✓	

Part IV **Management Companies and Joint Ventures**

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 2495

Part V Facility Information

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Memorial Hospital of Rhode Island 111 Brewster Street Pawtucket, RI 02860	✓	✓		✓	✓	✓	✓		

RIDOH 2496

Part VI Supplemental Information

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

Part I - Line 3c - The hospital provides free care to all patients whose income is at, or falls below 200% of the current Federal Poverty Guidelines (Patient Rights policy # 25). For patients whose income does not quality for free care, the hospital provides a 40% discount for all services not covered by insurance if paid within six months of service, or determination that health insurance will not cover service. This discount is not dependent on income level or asset testing.

Part I - Line 7 - The cost of services were calculated by multiplying the charges for those services by the ratio of cost to charges as determined in the 2010 Medicare Cost Report.

Part I - Line 7g - N/A

Part I - Line 7 - Column f - N/A

Part III - Line 4 - Following is the text of the footnote describing bad debt expense: "In addition to the cost of charity care and other community service programs, the Hospital provided $15,657,416 and $12,688,221 for uncollectible patient accounts during the years ended September 30, 2010 and 2009, respectively." The ratio of cost to charges of .4647 was used to determine the bad debt cost reported on line 2. To estimate the amount of Bad Debt cost attributable to patients eligible for Free Care, we used the percent of Bad Debt write-offs for patients who at registration gave as their employer Unemployed, Self Employed, Disabled, or Temporary Staffing. This equaled 50.4% of Bad Debt write-offs. This methodology is most likely understating the percent, as it does not include employed persons making under 200% of the poverty guidelines.

Part III - Line 8 - The Medicare cost report was used as the source of the Medicare cost used on line 6. The result is a surplus on line 7.

Part III - Line 9b - The hospital's Credit and Collection policy (Patient Rights policy # 23) states that "The Hospital will at all times provide essential care and treatment regardless of the ability of the patient to pay for the service". "The Patient Accounts Department will investigate the financial ability of each patient to pay for services and will provide financial counseling in order to ensure that the patient obtains any eligible medical coverage through their employer, the federal government, the Department of Human Services, or the hospital's Community Free Care".

RIDOH 2497

Part VI - Supplemental Information (Continued)

Part VI - Line 2 - The hospital has an on going strategic planning process which assesses the needs of the community and the hospital's plans for meeting those needs. This planning process includes evaluation of data provided by the Hospital Association of Rhode Island, the Rhode Island Department of Health and other agencies on healthcare trends in the community. The input of the City of Pawtucket as well as other community stakeholders is continuously sought. The plan is reviewed at a joint leadership retreat which includes leaders of the medical staff, administration and the Board of Trustees. The hospital has a strong community Board of Trustees which insures that the needs of the community are represented in the governance of the hospital.

Part VI - Line 3 - Patient education of eligibility for assistance- The following procedures are followed to inform patients of their eligibility for assistance: Notification of Free Care is posted at every registration area throughout the MHRI system . The notice is in English, Spanish and Portuguese and has the telephone number of the Financial Counselor. The Notice of Charity Care is printed on the patient's billing statement The Emergency Department Clinicians are educated in regard to proper referral process. If the patient states they are uninsured and need to seek Charity Care through discussion with the clinician, then they will be referred to the Family Care Center at Memorial Hospital. We pre-screen all self-pay Emergency Department patients for Community Free Services. If they pass the screening they are sent to the Financial Counselor for assistance in filling out any necessary forms. The hospital staffs a Financial Assistance Councilor in our Family Care Center to qualify patients for Medical Assistance or Free Care.

Part VI - Line 4 - 4) Community Information The primary service area of the hospital is as follows: Primary Service Area ("PSA") - Memorial Hospital of Rhode Island Patient Zip Code Patient City/Town Patient State Discharge Count* (10/1/09-9/30/10) 02860, 02861 Pawtucket RI 3,177 02863 Central Falls RI 849 02864 Cumberland RI 507 02914, 02915, 02916 East Providence, Riverside, Rumford RI 463 02865 Lincoln RI 160 02703 Attleboro MA 151 02771 Seekonk MA 104 02760 North Attleboro MA 47 02762 Plainville MA 5 Total PSA 5,463 * = data excludes newborns The City of Pawtucket has a population of 71,148. It is the fourth largest city in the state. Pawtucket was a major center of manufacture of cotton textiles during the American Industrial Revolution. Slater Mill, built in 1793 by Samuel Slater in downtown Pawtucket, was the first fully mechanized cotton spinning mill in America. The textile business in Pawtucket declined during the 1930s with many manufacturers closing or moving their facilities. As of November, 2010 the city's unemployment rate was 12% According to the 2010 census, the median income for a household in the city was $31,775, and the median income for a family was $39,038. Males had a median income of $31,129 versus $23,391 for females. The per capita income for the city was $17,008. About 14.9% of families and 16.8% of the population were below the poverty line, including 24.5% of those under age 18 and 15.2% of those age 65 or over The racial makeup of the city is 75.39% White, 7.31% African American, 10.75% from other races, and 5.34% from two or more races. Hispanic of any race were 13.90% of the population. 20.6% of Pawtucket residents are French or French-Canadian descent, and 11.6% of Portuguese descent. The hospital operates the Notre Dame Ambulatory Center in Central Falls, RI. Central Falls has a population of 18,928. The median income for a household in the city was $22,628, and the median income for a family was $26,844. About 25.9% of families and 29.0% of the population are below the poverty line, including 40.8% of those under age 18 and 29.3% of those age 65 or over. The unemployment rate was 14.2% in November, 2010. The racial makeup of Central Falls is 57.16% White, 5.82% African American, 28.35% from other races, and 7.38% from two or more races. Hispanic or Latino of any race are 47.77% of the population.

Part VI - Line 5 - MHRI H1N1 Vaccination Point of Distribution- Memorial Hospital of Rhode Island (MHRI) in collaboration with the Pawtucket Emergency Management Agency conducted the H1N1 Vaccination Point of Distribution (POD) on January 9, 2010. The intent of the POD was to vaccinate healthcare workers (HCW's) and first responders in Memorial's healthcare service region which included Pawtucket, Central Falls, Lincoln, and Cumberland. The Pawtucket EMA Director Robert Howe was on site and organized notification and flow of the first responders. Captain James Coyne from the Cumberland Police Department was also on site and assisted with the coordination and flow of first responders. The hours of operation were blast communicated to all HSR healthcare facilities, physician offices and municipalities via fax and e-mail. MHRI also posted an H1N1 information phone

Part VI - Supplemental Information (Continued)

number on their web site. Signage for the Vaccination POD was easily identifiable and flow was managed with the assistance of our municipal partners. At the conclusion of the exercise a total of 1078 doses of H1N1 flu vaccine were administered * MHRI in collaboration with their community partners provided the necessary opportunity for all HCWs and Municipalities to receive their H1N1 vaccine when available via the RI Department of Health. * The Pawtucket EMA and The Cumberland Police Department were instrumental in preparing for and operationalizing the H1N1 POD at MHRI * Performing the POD function on the MHRI Campus allowed us the flexibility to accommodate all of our community partners and support the process without interrupting our daily flow of patient care. * Emergency Preparedness Activities- Memorial Hospital of RI works with state and local partners in the planning and execution of disaster readiness and public health emergency activities. On a state level, MHRI is a member of the Hospital Association of Rhode Island (HARI) and participates in monthly hospital preparedness meetings with other acute care hospitals, community health centers, and the RI Department of Health. Additionally, local emergency management representatives from the five cities and towns that make up the hospital's catchment area participate in hospital Emergency Management Committee meetings, held monthly. Local partners in conjunction with police, fire, and emergency medical services participate in hospital preparedness trainings such as evacuation, infant abduction, and severe weather scenario drills. Local partners have also worked in partnership with the hospital to support events such as a hazardous material release, severe weather events, and mass vaccinations

Part VI - Line 6 - 6) Other information- Memorial Hospital of Rhode Island is a 294-bed acute care, not-for-profit, teaching, community health institution providing health care to a population of approximately 300,000 residents in Pawtucket and the surrounding Blackstone Valley region of Rhode Island as well as portions of southeastern Massachusetts. The Hospital offers a comprehensive array of medical, surgical, pediatric, obstetric and ancillary services. In addition, the Hospital has developed specialized expertise in areas such as Oncology, Rehabilitative Medicine, Critical Care Medicine, Cardiology, Pulmonary Medicine, Endocrinology, Hematology, Geriatric Medicine, Infectious Disease and Primary Care. Altogether, there are 34 medical and surgical specialties represented by the physicians on the Active Staff of the Hospital. The mission of Memorial Hospital of Rhode Island is primary care and preventative medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving this mission is the medical expertise provided by the Hospital's competent and caring professional staff. The Hospital strives to achieve the timely and efficient delivery of care in a compassionate atmosphere. The vision of the Hospital is to excel as a primary health care network and community teaching hospital requiring it to: * Continuously improve the quality, maximize the value, and expand access to patient services; * Build a learning organization by creating an environment and structure that fosters role development; * Support research efforts and translate research findings into standards that measure and improve patient care for high volume and/or underserved vulnerable populations within its community. Inpatient services are provided in 227 medical/surgical beds, an 18-bed intensive/coronary care unit, a 17-bed rehabilitative medicine unit, a 22-bed pediatric unit and a 13-bed obstetrics/gynecology unit. Comprehensive outpatient services are provided at the Pawtucket campus by the Center for Primary Care and Prevention, the Ambulatory Care Center (outpatient specialty care and numerous clinics), a 24-hour Emergency Department, a Hospital-based ambulatory surgery center, an endoscopy department, rehabilitation services, a cardiac catheterization and testing lab, radiology and phlebotomy services and a multitude of physician offices/clinics providing specialty care. Primary care, urgent care, ambulatory surgery, pain management, physical and occupational therapy, and occupational health services are also provided at the Notre Dame Ambulatory Center in Central Falls, Rhode Island. This center is located on the campus of the former Notre Dame Hospital. This facility became part of the Hospital in October 1989 and was converted to a comprehensive ambulatory care center. Memorial Hospital serves as the second largest teaching hospital in the state of Rhode Island. The Hospital is formally affiliated with Brown University School of Medicine. Through this affiliation which commenced in 1969, the Hospital has been able to strengthen its commitment to provide education and research programs within the community health institution milieu. The Hospital is one of eight charter hospitals included in the Brown University program. A top priority of the Hospital has always been the integration of medical students and medical residents into the health care delivery system. The interaction with medical students and residents helps keep all members of the Hospital's community abreast of the latest developments in medicine. The Hospital sponsors medical residency programs in the following areas: Family Medicine (39 residents), Internal Medicine (30 residents), Pathology (1 resident) and Podiatry (2 residents). Additionally, fellowships in Hematology (1 fellow), Infectious Diseases (1 fellow), Pulmonary Medicine (2 fellows), Maternal and Child Health (2 fellows) and Pediatric Neuropsychiatry (1 fellow) are sponsored by the Hospital. Training programs in Nursing, Lab Technology, Nurse Anesthesiology, Physician Assistants, Pharmacy and Physical Therapy are also based at the Hospital. The Brown Medical School Residency in Family Medicine at the Hospital is considered to be one of the top programs in the country in this

RIDOH 2499

Part VI - Supplemental Information (Continued)

primary care discipline. The preventative medicine focus of the department is evidenced by various on-going research projects. Preventative medicine serves an integral role in the discipline of Family Medicine and, accordingly, it remains a key component of the Hospital's Family Medicine residency program. Memorial Hospital is also home to the Brown Medical School Primary Care Internal Medicine Residency Program. As a result of the partnership agreement between the Hospital and the Brown University School of Medicine, the Hospital is designated as the University's Center for Primary Care and Prevention. This center serves as the focal point for university-wide collaboration efforts in primary care, research, education and practice. The Hospital's Department of Medicine has many faculty who hold appointments at the Brown University School of Medicine and work on a full-time basis to educate medical students and house staff physicians. The Hospital's active medical staff also includes a large group of clinicians in private practice who volunteer their services to medical education. Together, these faculty create a complementary staff of expert physicians and scientists. Research Research is also a core value of Memorial Hospital. The research interests of the staff at the Hospital cover a wide area of medical disciplines. There is, however, one major thrust at the Hospital which is common to all of the research programs operating at the Hospital. This common thrust is to make the Hospital a leader in primary care and preventative medicine. There are over one hundred and thirty (130) active research studies at the hospital funded by nearly $6.5 million in annualized grant revenue. These studies are funded through a variety of federal, state and private grants

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, line 23.**

▶ **Attach to Form 990.** ▶ **See separate instructions.**

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization
MEMORIAL HOSPITAL

Employer identification number
05 0259004

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items. ☐ First-class or charter travel ☐ Housing allowance or residence for personal use ☐ Travel for companions ☐ Payments for business use of personal residence ☐ Tax indemnification and gross-up payments ☐ Health or social club dues or initiation fees ☐ Discretionary spending account ☐ Personal services (e.g., maid, chauffeur, chef)		
b	If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . **2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply. ☑ Compensation committee ☑ Written employment contract ☐ Independent compensation consultant ☐ Compensation survey or study ☑ Form 990 of other organizations ☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
a	Receive a severance payment or change-of-control payment? **4a**		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**		✓
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.		
	Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5–9.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? **5a**		✓
b	Any related organization? **5b**		✓
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? **6a**		✓
b	Any related organization? **6b**		✓
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7**		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		✓
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)? **9**		

RIDOH 2501

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Francis R Dietz	(i)	647,544	0	0	2,644,520	13,602	3,305,666	732,843
	(ii)	0	0	0	0	0	0	0
Michael J Ryan	(i)	192,001	0	0	0	33,558	225,559	216,755
	(ii)	0	0	0	0	0	0	0
Elizabeth Girard	(i)	179,001	0	0	0	20,552	199,553	204,069
	(ii)	0	0	0	0	0	0	0
Michelle MacDonald Gallagher	(i)	265,000	0	0	0	35,210	300,210	291,165
	(ii)	0	0	0	0	0	0	0
Martin Tursky	(i)	367,790	0	0	0	34,994	402,784	0
	(ii)	0	0	0	0	0	0	0
Jeffrey Borkan MD	(i)	277,684	0	0	0	18,967	296,651	289,542
	(ii)	0	0	0	0	0	0	0
Andrew Artenstein MD	(i)	272,500	0	0	0	18,904	291,404	283,795
	(ii)	0	0	0	0	0	0	0
Vera A Depalo MD	(i)	290,194	0	0	0	10,488	300,682	282,227
	(ii)	0	0	0	0	0	0	0
Brian Wiley MD	(i)	297,375	0	0	0	10,575	307,950	298,545
	(ii)	0	0	0	0	0	0	0
Noubar Kessimian MD	(i)	264,654	0	0	0	18,809	283,463	0
	(ii)	0	0	0	0	0	0	0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

RIDOH 2502

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

RIDOH 2503

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).

▶ Attach to Form 990. See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 0259004

Part I Bond Issues

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased Yes	(g) Defeased No	(h) On behalf of issuer Yes	(h) On behalf of issuer No
A	Rhode Island Health and Educational Building Corp	52-1300173	762243EY5	12/24/2003	25,358,159	Capital Renovations and Equipment Purchases		✓		✓
B										
C										
D										
E										

Part II Proceeds

		A	B	C	D	E
1	Total proceeds of issue	26,560,716				
2	Gross proceeds in reserve funds	0				
3	Proceeds in refunding or defeasance escrows	0				
4	Other unspent proceeds	0				
5	Issuance costs from proceeds	331,810				
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds	26,560,716				
8	Year of substantial completion	2004				

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
9	Were the bonds issued as part of a current refunding issue?	✓									
10	Were the bonds issued as part of an advance refunding issue?		✓								
11	Has the final allocation of proceeds been made?	✓									
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?	✓									

Part III Private Business Use

		A Yes	A No	B Yes	B No	C Yes	C No	D Yes	D No	E Yes	E No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?		✓								
2	Are there any lease arrangements with respect to the financed property which may result in private business use?		✓								

RIDOH 2504

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?		✓								
b Are there any research agreements with respect to the financed property which may result in private business use?		✓								
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?		✓								
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶		%		%		%		%		%
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶		%		%		%		%		%
6 Total of lines 4 and 5		0 %		%		%		%		%
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?		✓								

Part IV Arbitrage

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?		✓								
2 Is the bond issue a variable rate issue?		✓								
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?		✓								
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?		✓								
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?		✓								
6 Did the bond issue qualify for an exception to rebate?		✓								

RIDOH 2505

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on Form 990 or to provide any additional information.

► Attach to Form 990.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 : 0259004

Form 990, Part VI, Section B, Line 11 - Once the independent audit is complete, the Controller of the organization gathers all the necessary information from various employees, departments and governing members. Several schedules are prepared to tie out different line items of the 990. The Controller then utilizes an on-line software to complete the 990. The software used ensures that all required fields are complete and all related schedules are attached. The software verifies when the Form is complete and there are no errors. The draft 990 is then printed and submitted to the President for review. Copies are made and presented to each of the board members for their review. All discussion of the 990 is documented in the minutes. The President informs the Controller of any changes or additions to the Form that result from the Board review. The Controller makes all necessary changes and resubmits to the President for signature. Once signed, the 990 is electronically submitted to the IRS.

Form 990, Part VI, Section B, Line 12c - Every board memeber, volunteer and employee is required to complete a Conflict of Interest Form on an annual basis. Any conflicts of interest must be disclosed. Signatures are required on all forms.

Form 990, Part VI, Section B, Line 15 - The organization has an Executive Committee which also acts as a Compensation Committee for the compensation of the CEO. In order to determine compensation, surveys are conducted for area CEOs. THe committee also utilizes 990s from other hospitals in the state of RI. The compensation is approved by the Board of Directors, and a written employment contract is signed. The CEOs salary is reviewed each year, and is usually increased by a percentage no higher than the employees of the hospital.

Form 990, Part VI, Section C, Line 19 - The Annual Reports for the hospital are posted on the organization's website. It is also noted on the website that the hospital has a Conflict of Interest Policy and that copies are available upon request. The phone numbers of the Public Relations Department are posted on the website as well. The PR Department has been instructed to direct any requests for Audited Financial Statements and or 990s to the Controller's office.

Reasonable Cause Explanations

Explanation
Schedule H is still in process of being prepared. An additional extension to August 15th has beed filed and is pending approval.

RIDOH 2507

First Program Service Accomplishments Description

Description

admissions with an ALOS of 4.49 days. Memorial operates a Level 2 trauma center ER, which serves patients regardless of ability to pay. For the year ended September 30, 2010, Memorial provided its patients with 32,866 ER visits. Primarily through the Department of Family Medicine, Memorial attempts to integrate patient care within the context of the patients family, and, whenever possible and appropriate, care for the family as a unit. Memorial also seeks to cooperate with community organizations in the management of patient care. The Department of Family Medicine follows patients in whatever setting they present, whether home, nursing home or tertiary care center. To help accomplish this goal, Memorial has a Homecare Department which works with the Department of Medicine, Nursing, Social Services, Physical Therapy, Utilization Review, Medical/Surgical Supply and Pharmacy to ensure that patients leaving the inpatient services receive continuous and appropriate care after leaving Memorial. Memorial has well developed programs in Occupational Health, Physical Therapy and Medical Rehabilitation. Memorial's research is internationally recognized. Many of the materials and procedures developedare being used all over the country. Two of the many widely recognized programs at Memorial are the Osteoarthritis Initiative and the Women's Health Initiative. Memorials research efforts are guided by the goal of working to address unmet health needs in the community. Memorials Department of Family Medicine accepts approximately 13 residents per year for a total of 39 residents in the training program. This program is nationally competitive, matching with high quality residents in spite of the decreasing interest of medical students in primary care specialties. The Department of Family Medicine has developed model teaching community health center at two centers which serve a large number of medically indegent patients in the Blackstone Valley. These models of community based education, research and patient care serve as training sites for residents who desire a career in rural or urban community health centers.

Description of Covered Relationships and Transaction Thresholds

		Amount involved
Name	Southeastern Healthcare System Inc	60,000
Transaction type	k	
Name	Blackstone Health Inc	36,000
Transaction type	k	
Name	RS Realty Company	150,000
Transaction type	c	

RIDOH 2509

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

2009

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 : 0259004

Part I **Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II **Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
RS Realty Company (05-0343043) 111 Brewster Street, Pawtucket, RI 02860	Provide rental property for affiliated	RI	501(c)2		N/A
Southeastern Healthcare System Inc (06-1476858) 111 Brewster Street, Pawtucket, RI 02860	Develop and maintain an integrated	RI	501(c)3	11 Type II	N/A
SHS Ventures Inc (05-0510341) 111 Brewster Street, Pawtucket, RI 02860	Provide Primary Healthcare Services	RI	501(c)3	9	N/A
Blackstone Health Inc (05-0427007) 111 Brewster Street, Pawtucket, RI 02860	Provide a continuum of care	RI	501(c)3	9	N/A

RIDOH 2510

Part III **Identification of Related Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations? Yes	(h) No	(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner? Yes	(j) No

Part IV **Identification of Related Organizations Taxable as a Corporation or Trust** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
Primary Care Centers of New England Inc (05-0423957) 111 Brewster Street, Pawtucket, RI 02860	Provide Support Staff	RI	N/A	C	-767	553,176	100%
Memorial Physician Hospital Organization Inc (05-0462 111 Brewster Street, Pawtucket, RI 02860	Health Service Contracting	RI	N/A	C	14,919	253,565	50%

RIDOH 2511

Part V **Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties or **(iv)** rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b	✓	
c	Gift, grant, or capital contribution from other organization(s)	1c	✓	
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	✓	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	✓	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	✓	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	✓	
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q		✓
r	Other transfer of cash or property from other organization(s)	1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a–r)	(c) Amount involved
(1)	RS Realty Company	j	57,600
(2)	RS Realty Company	i	37,500
(3)	SHS Ventures Inc	b	360,000
(4)	SHS Ventures Inc	k	43,654
(5)	SHS Ventures Inc	j	159,840
(6)	(Continued on Schedule O, Statement 3)		

RIDOH 2512

Part VI **Unrelated Organizations Taxable as a Partnership** (Complete if the organization answered "Yes" to Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(a) Name, address, and EIN of entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Are all partners section 501(c)(3) organizations?		(e) Share of end-of-year assets	(f) Disproportionate allocations?		(g) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(h) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 2513

[THIS PAGE INSERTED TO SEPARATE DOCUMENTS]

Form **990**

Department of the Treasury
Internal Revenue Service

Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

OMB No. 1545-0047

2008

Open to Public Inspection

A For the 2008 calendar year, or tax year beginning 10/01 , 2008, and ending 09/30 , 20 09

B Check if applicable:
- ☐ Address change
- ☐ Name change
- ☐ Initial return
- ☐ Termination
- ☐ Amended return
- ☐ Application pending

Please use IRS label or print or type. See Specific Instructions.

C Name of organization MEMORIAL HOSPITAL

Doing Business As

Number and street (or P.O. box if mail is not delivered to street address) | Room/suite
111 Brewster Street

City or town, state or country, and ZIP + 4
Pawtucket, RI 02860-4499

D Employer identification number
05 0259004

E Telephone number
(401) 729-2000

G Gross receipts $ 204,025,055

F Name and address of principal officer: Francis R Dietz
111 Brewster Street, Pawtucket, RI 02860

H(a) Is this a group return for affiliates? ☐ Yes ☑ No

H(b) Are all affiliates included? ☐ Yes ☐ No
If "No," attach a list. (see instructions)

H(c) Group exemption number ▶

I Tax-exempt status: ☑ 501(c) (3)◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ www.mhri.org

K Type of organization: ☑ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation: 1901

M State of legal domicile: RI

Part I Summary

Activities & Governance

1 Briefly describe the organization's mission or most significant activities: Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research.

2 Check this box ▶ ☐ if the organization discontinued its operations or disposed of more than 25% of its assets.

3 Number of voting members of the governing body (Part VI, line 1a)	3	17
4 Number of independent voting members of the governing body (Part VI, line 1b)	4	16
5 Total number of employees (Part V, line 2a)	5	2,418
6 Total number of volunteers (estimate if necessary)	6	198
7a Total gross unrelated business revenue from Part VIII, line 12, column (C)	7a	0
b Net unrelated business taxable income from Form 990-T, line 34	7b	0

	Prior Year	Current Year
Revenue		
8 Contributions and grants (Part VIII, line 1h)	6,055,223	4,798,052
9 Program service revenue (Part VIII, line 2g)	164,357,629	168,450,851
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	4,474,698	-2,377,629
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	1,080,163	1,000,427
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	175,967,713	171,871,701
Expenses		
13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	0	0
14 Benefits paid to or for members (Part IX, column (A), line 4)	0	0
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	110,679,447	110,216,401
16a Professional fundraising fees (Part IX, column (A), line 11e)	0	0
b Total fundraising expenses (Part IX, column (D), line 25) ▶ 24,195		
17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	66,994,128	68,511,037
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	177,673,575	178,727,438
19 Revenue less expenses. Subtract line 18 from line 12	-1,705,862	-6,855,737

	Beginning of Year	End of Year
Net Assets or Fund Balances		
20 Total assets (Part X, line 16)	124,871,312	119,109,206
21 Total liabilities (Part X, line 26)	64,656,443	85,410,796
22 Net assets or fund balances. Subtract line 21 from line 20	60,214,869	33,698,410

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here

▶ Signature of officer — Date

▶ Francis Dietz, President
Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ | Date | Check if self-employed ▶ ☐ | Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ | EIN ▶ | Phone no. ▶ ( )

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

RIDOH 2515

Part III Statement of Program Service Accomplishments (see instructions)

1 Briefly describe the organization's mission:
Our mission is primary care and preventive medicine, providing advanced diagnosis and treatment with a focus on teaching and research. An essential resource in achieving our mission is the medical expertise provided by our competent and caring professional staff. We strive to achieve the timely and efficient delivery of care in a compassionate atmosphere.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? . . . . . ☐ Yes ☑ No
If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? . . . . . ☐ Yes ☑ No
If "Yes," describe these changes on Schedule O.

4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses $ 158,507,393 including grants of $ 0) (Revenue $ 0)
See Statement 1

4b (Code:) (Expenses $ including grants of $) (Revenue $)

4c (Code:) (Expenses $ including grants of $) (Revenue $)

4d Other program services. (Describe in Schedule O.)
(Expenses $ 0 including grants of $ 0) (Revenue $ 0)

4e **Total program service expenses ▶ $** 158,507,393 *(Must equal Part IX, Line 25, column (B).)*

RIDOH 2516

Part IV Checklist of Required Schedules

			Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? *If "Yes," complete Schedule A*	1	✓	
2	Is the organization required to complete Schedule B, Schedule of Contributors?	2		✓
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? *If "Yes," complete Schedule C, Part I*	3		✓
4	**Section 501(c)(3) organizations.** Did the organization engage in lobbying activities? *If "Yes," complete Schedule C, Part II*	4		✓
5	**Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations.** Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? *If "Yes," complete Schedule C, Part III*	5		
6	Did the organization maintain any donor advised funds or any accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? *If "Yes," complete Schedule D, Part I*	6		✓
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? *If "Yes," complete Schedule D, Part II*	7		✓
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? *If "Yes," complete Schedule D, Part III*	8		✓
9	Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? *If "Yes," complete Schedule D, Part IV*	9		✓
10	Did the organization hold assets in term, permanent, or quasi-endowments? *If "Yes," complete Schedule D, Part V*	10	✓	
11	Did the organization report an amount in Part X, lines 10, 12, 13, 15, or 25? *If "Yes," complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable*	11	✓	
12	Did the organization receive an audited financial statement for the year for which it is completing this return that was prepared in accordance with GAAP? *If "Yes," complete Schedule D, Parts XI, XII, and XIII*	12	✓	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? *If "Yes," complete Schedule E*	13		✓
14a	Did the organization maintain an office, employees, or agents outside of the U.S.?	14a		✓
b	Did the organization have aggregate revenues or expenses of more than $10,000 from grantmaking, fundraising, business, and program service activities outside the U.S.? *If "Yes," complete Schedule F, Part I*	14b		✓
15	Did the organization report on Part IX, column (A), line 3, more than $5,000 of grants or assistance to any organization or entity located outside the United States? *If "Yes," complete Schedule F, Part II*	15		✓
16	Did the organization report on Part IX, column (A), line 3, more than $5,000 of aggregate grants or assistance to individuals located outside the United States? *If "Yes," complete Schedule F, Part III*	16		✓
17	Did the organization report more than $15,000 on Part IX, column (A), line 11e? *If "Yes," complete Schedule G, Part I*	17		✓
18	Did the organization report more than $15,000 total on Part VIII, lines 1c and 8a? *If "Yes," complete Schedule G, Part II*	18		✓
19	Did the organization report more than $15,000 on Part VIII, line 9a? *If "Yes," complete Schedule G, Part III*	19		✓
20	Did the organization operate one or more hospitals? *If "Yes," complete Schedule H*	20	✓	
21	Did the organization report more than $5,000 on Part IX, column (A), line 1? *If "Yes," complete Schedule I, Parts I and II*	21		✓
22	Did the organization report more than $5,000 on Part IX, column (A), line 2? *If "Yes," complete Schedule I, Parts I and III*	22		✓
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5? *If "Yes," complete Schedule J*	23	✓	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than $100,000 as of the last day of the year, that was issued after December 31, 2002? *If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to question 25.*	24a	✓	
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b		✓
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c		✓
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	24d		✓
25a	**Section 501(c)(3) and 501(c)(4) organizations.** Did the organization engage in an excess benefit transaction with a disqualified person during the year? *If "Yes," complete Schedule L, Part I*	25a		✓
b	Did the organization become aware that it had engaged in an excess benefit transaction with a disqualified person from a prior year? *If "Yes," complete Schedule L, Part I*	25b		✓
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? *If "Yes," complete Schedule L, Part II*	26		✓
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, or substantial contributor, or to a person related to such an individual? *If "Yes," complete Schedule L, Part III*	27		✓

RIDOH 2517

Part IV Checklist of Required Schedules *(continued)*

			Yes	No
28	During the tax year, did any person who is a current or former officer, director, trustee, or key employee:			
	a Have a direct business relationship with the organization (other than as an officer, director, trustee, or employee), or an indirect business relationship through ownership of more than 35% in another entity (individually or collectively with other person(s) listed in Part VII, Section A)? *If "Yes," complete Schedule L, Part IV*	28a		✓
	b Have a family member who had a direct or indirect business relationship with the organization? *If "Yes," complete Schedule L, Part IV*	28b		✓
	c Serve as an officer, director, trustee, key employee, partner, or member of an entity (or a shareholder of a professional corporation) doing business with the organization? *If "Yes," complete Schedule L, Part IV*	28c		✓
29	Did the organization receive more than $25,000 in non-cash contributions? *If "Yes," complete Schedule M*	29		✓
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? *If "Yes," complete Schedule M*	30		✓
31	Did the organization liquidate, terminate, or dissolve and cease operations? *If "Yes," complete Schedule N, Part I*	31		✓
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? *If "Yes," complete Schedule N, Part II*	32		✓
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? *If "Yes," complete Schedule R, Part I*	33		✓
34	Was the organization related to any tax-exempt or taxable entity? *If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1*	34	✓	
35	Is any related organization a controlled entity within the meaning of section 512(b)(13)? *If "Yes," complete Schedule R, Part V, line 2*	35		✓
36	**Section 501(c)(3) organizations.** Did the organization make any transfers to an exempt non-charitable related organization? *If "Yes," complete Schedule R, Part V, line 2*	36	✓	
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? *If "Yes," complete Schedule R, Part VI*	37		✓

RIDOH 2518

Part V Statements Regarding Other IRS Filings and Tax Compliance

			Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 58		
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0		
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓	
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a 2418		
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?	2b	✓	
	Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-*file* this return. (see instructions)			
3a	Did the organization have unrelated business gross income of $1,000 or more during the year covered by this return?	3a		✓
b	If "Yes," has it filed a Form 990-T for this year? *If "No," provide an explanation in Schedule O*	3b		
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a		✓
b	If "Yes," enter the name of the foreign country: ► ..... See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.			
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a		✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b		✓
c	If "Yes," to question 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c		
6a	Did the organization solicit any contributions that were not tax deductible?	6a		✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b		
7	**Organizations that may receive deductible contributions under section 170(c).**			
a	Did the organization provide goods or services in exchange for any quid pro quo contribution of more than $75?	7a		
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b		
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c		
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d		
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e		
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f		
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g		
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h		
8	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.** Did the supporting organization, or a fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8		
9	**Section 501(c)(3) and other sponsoring organizations maintaining donor advised funds.**			
a	Did the organization make any taxable distributions under section 4966?	9a		
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b		
10	**Section 501(c)(7) organizations.** Enter:			
a	Initiation fees and capital contributions included on Part VIII, line 12	10a		
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b		
11	**Section 501(c)(12) organizations.** Enter:			
a	Gross income from members or shareholders	11a		
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b		
12a	**Section 4947(a)(1) non-exempt charitable trusts.** Is the organization filing Form 990 in lieu of Form 1041?	12a		
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b		

RIDOH 2519

Part VI Governance, Management, and Disclosure *(Sections A, B, and C request information about policies not required by the Internal Revenue Code.)*

Section A. Governing Body and Management

			Yes	No
	For each "Yes" response to lines 2–7b below, and for a "No" response to lines 8 or 9b below, describe the circumstances, processes, or changes in Schedule O. See instructions.			
1a	Enter the number of voting members of the governing body	1a 17		
b	Enter the number of voting members that are independent	1b 16		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2		✓
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3		✓
4	Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4		✓
5	Did the organization become aware during the year of a material diversion of the organization's assets?	5		✓
6	Does the organization have members or stockholders?	6		✓
7a	Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a		✓
b	Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b		✓
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:			
a	The governing body?	8a	✓	
b	Each committee with authority to act on behalf of the governing body?	8b	✓	
9a	Does the organization have local chapters, branches, or affiliates?	9a		✓
b	If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	9b		
10	Was a copy of the Form 990 provided to the organization's governing body before it was filed? All organizations must describe in Schedule O the process, if any, the organization uses to review the Form 990	10	✓	
11	Is there any officer, director or trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? *If "Yes," provide the names and addresses in Schedule O*	11		✓

Section B. Policies

			Yes	No
12a	Does the organization have a written conflict of interest policy? *If "No," go to line 13*	12a	✓	
b	Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓	
c	Does the organization regularly and consistently monitor and enforce compliance with the policy? *If "Yes," describe in Schedule O how this is done*	12c	✓	
13	Does the organization have a written whistleblower policy?	13	✓	
14	Does the organization have a written document retention and destruction policy?	14	✓	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision:			
a	The organization's CEO, Executive Director, or top management official?	15a	✓	
b	Other officers or key employees of the organization?	15b		✓
	Describe the process in Schedule O. (see instructions)			
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a		✓
b	If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b		

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ▶

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.

☐ Own website ☐ Another's website ☑ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ▶ Francis R Dietz, (401)729-2000
111 Brewster Street, Pawtucket, RI 02860-4499

RIDOH 2520

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation, and **current** key employees. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than $100,000 from the organization and any related organizations.
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than $100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than $10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any officer, director, trustee, or key employee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Edna Poulin Secretary	0.25	✓		✓				$0	$0	$0
Francis R Dietz President	60.00	✓		✓	✓	✓		$606,621	$0	$126,222
Robert Andrade Treasurer	0.25	✓		✓				$0	$0	$0
Robert MacKenzie Assistant Secretary	0.25	✓		✓				$0	$0	$0
Paul Mooney Board Member	0.25	✓						$0	$0	$0
John J Partridge Board Member	0.25	✓						$0	$0	$0
Virginia Roberts Vice Chairman	0.25	✓		✓				$0	$0	$0
Karl Sherry Board Member	0.25	✓						$0	$0	$0
Kenneth W Washburn Board Member	0.25	✓						$0	$0	$0
Donna Brady Board Member	0.25	✓						$0	$0	$0
Arthur Deblois III Board Member	0.25	✓						$0	$0	$0
Alfred Degen Board Member	0.25	✓						$0	$0	$0
William Kapos Assistant Treasurer	0.25	✓		✓				$0	$0	$0
Gary E Furtado Board Member	0.25	✓						$0	$0	$0
William J Hunt Chairman	0.25	✓		✓				$0	$0	$0
Patrick J Murray Board Member	0.25	✓						$0	$0	$0
Greg Scown Board Member	0.25	✓						$0	$0	$0

RIDOH 2521

Part VII **Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees** *(continued)*

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Michael J Ryan Sr Vice Pres Finance	50.00			✓				$187,847	$0	$28,808
Elizabeth Girard Sr. Vice President	50.00			✓	✓			$175,077	$0	$28,998
Michelle MacDonald Gallager Sr VP Clinical Oper.	50.00				✓			$260,154	$0	$31,011
Jeffrey Borkan MD Chief of Family Med	55.00					✓		$269,788	$0	$19,754
Andrew Artenstein MD Physician in Chief	55.00					✓		$264,154	$0	$19,642
Vera A Depalo MD Associate Chief	52.00					✓		$270,418	$0	$11,809
John Reidel MD Emergency Physician	50.00					✓		$260,988	$0	$19,578
Brian Wiley MD Emergency Physician	52.00					✓		$286,416	$0	$12,129
1b Total ▶								2,581,463	0	297,951

2 Total number of individuals (including those in 1a) who received more than $100,000 in reportable compensation from the organization ▶ 99

		Yes	No
3	Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? *If "Yes," complete Schedule J for such individual*		✓
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than $150,000? *If "Yes," complete Schedule J for such individual*	✓	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? *If "Yes," complete Schedule J for such person*		✓

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than $100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
See Statement 2		

2 Total number of independent contractors (including those in 1) who received more than $100,000 in compensation from the organization ▶ 13

RIDOH 2522

Part VIII Statement of Revenue

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a 0				
	b Membership dues	1b 0				
	c Fundraising events	1c 0				
	d Related organizations	1d 0				
	e Government grants (contributions)	1e 2,659,158				
	f All other contributions, gifts, grants, and similar amounts not included above	1f 2,138,894				
	g Noncash contributions included in lines 1a-1f: $ 0					
	h **Total.** Add lines 1a–1f ▶		4,798,052			
Program Service Revenue		Business Code				
	2a Patient Services Revenue	622000	168,450,851	168,450,851	0	0
	b					
	c					
	d					
	e					
	f All other program service revenue		0	0	0	0
	g **Total.** Add lines 2a–2f ▶		168,450,851			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts) ▶		738,315	0	0	738,315
	4 Income from investment of tax-exempt bond proceeds ▶		0	0	0	0
	5 Royalties ▶		0	0	0	0
		(i) Real / (ii) Personal				
	6a Gross Rents					
	b Less: rental expenses					
	c Rental income or (loss)	0 / 0				
	d Net rental income or (loss) ▶					
		(i) Securities / (ii) Other				
	7a Gross amount from sales of assets other than inventory	29,031,710 / 5,700				
	b Less: cost or other basis and sales expenses	32,153,354 / 0				
	c Gain or (loss)	-3,121,644 / 5,700				
	d Net gain or (loss) ▶		-3,115,944	0	0	-3,115,944
	8a Gross income from fundraising events (not including $ 0 of contributions reported on line 1c). See Part IV, line 18 a					
	b Less: direct expenses b					
	c Net income or (loss) from fundraising events ▶					
	9a Gross income from gaming activities. See Part IV, line 19 a					
	b Less: direct expenses b					
	c Net income or (loss) from gaming activities ▶					
	10a Gross sales of inventory, less returns and allowances a					
	b Less: cost of goods sold b					
	c Net income or (loss) from sales of inventory ▶					
	Miscellaneous Revenue	Business Code				
	11a Cafeteria Revenue	561499	953,885	0	0	953,885
	b Pharmacy Sales to employees	561499	46,542	0	0	46,542
	c					
	d All other revenue		0	0	0	0
	e **Total.** Add lines 11a–11d ▶		1,000,427			
	12 **Total Revenue.** Add lines 1h, 2g, 3, 4, 5, 6d, 7d, 8c, 9c, 10c, and 11e ▶		171,871,701	168,450,851	0	-1,377,202

RIDOH 2523

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	0	0		
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	0	0		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	1,444,838	0	1,444,838	0
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0	0	0	0
7 Other salaries and wages	81,718,486	73,472,057	8,224,363	22,066
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	3,518,732	3,165,569	353,163	0
9 Other employee benefits	18,070,023	16,256,001	1,813,581	441
10 Payroll taxes	5,464,322	4,914,369	548,265	1,688
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	260,883	0	260,883	0
c Accounting	185,000	0	185,000	0
d Lobbying	0	0	0	0
e Professional fundraising services. See Part IV, line 17	0			0
f Investment management fees	0	0	0	0
g Other	14,147,678	12,252,322	1,895,356	0
12 Advertising and promotion	77,898	70,080	7,818	0
13 Office expenses	226,957	172,411	54,546	0
14 Information technology	0	0	0	0
15 Royalties	0	0	0	0
16 Occupancy	3,008,027	2,285,093	722,934	0
17 Travel	416,909	375,065	41,844	0
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	0	0	0	0
19 Conferences, conventions, and meetings	0	0	0	0
20 Interest	1,219,502	1,219,502	0	0
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization	4,156,772	3,739,571	417,201	0
23 Insurance	2,335,084	1,696,551	638,533	0
24 Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a Supplies	12,717,742	10,012,694	2,705,048	0
b Provision for Bad Debt	12,654,073	12,654,073	0	0
c Pharmaceuticals and IVs	7,530,550	7,527,968	2,582	0
d State Licensing Fee	7,303,539	7,303,539	0	0
e Miscellaneous	2,270,423	1,390,528	879,895	0
f All other expenses				
25 **Total functional expenses.** Add lines 1 through 24f	178,727,438	158,507,393	20,195,850	24,195
26 **Joint Costs.** Check here ▶ ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

RIDOH 2524

Part X Balance Sheet

				(A) Beginning of year		(B) End of year
Assets	1	Cash—non-interest-bearing		1,791,014	1	588,412
	2	Savings and temporary cash investments		0	2	0
	3	Pledges and grants receivable, net		467,425	3	403,319
	4	Accounts receivable, net		35,807,171	4	35,678,288
	5	Receivables from current and former officers, directors, trustees, key employees, or other related parties. Complete Part II of Schedule L		0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		0	6	0
	7	Notes and loans receivable, net		0	7	0
	8	Inventories for sale or use		933,778	8	752,440
	9	Prepaid expenses and deferred charges		720,208	9	1,081,771
	10a	Land, buildings, and equipment: cost basis	10a 106,708,958			
	b	Less: accumulated depreciation. Complete Part VI of Schedule D	10b 72,384,359	36,921,702	10c	34,324,599
	11	Investments—publicly traded securities		0	11	0
	12	Investments—other securities. See Part IV, line 11		44,507,556	12	42,956,852
	13	Investments—program-related. See Part IV, line 11		0	13	
	14	Intangible assets		0	14	0
	15	Other assets. See Part IV, line 11		3,722,458	15	3,323,525
	16	**Total assets.** Add lines 1 through 15 (must equal line 34)		124,871,312	16	119,109,206
Liabilities	17	Accounts payable and accrued expenses		25,500,705	17	24,042,519
	18	Grants payable		0	18	0
	19	Deferred revenue		0	19	0
	20	Tax-exempt bond liabilities		15,858,253	20	14,275,868
	21	Escrow account liability. Complete Part IV of Schedule D		0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		0	22	0
	23	Secured mortgages and notes payable to unrelated third parties		0	23	0
	24	Unsecured notes and loans payable			24	0
	25	Other liabilities. Complete Part X of Schedule D		23,297,485	25	47,092,409
	26	**Total liabilities.** Add lines 17 through 25		64,656,443	26	85,410,796
Net Assets or Fund Balances		**Organizations that follow SFAS 117, check here ▶ ☑ and complete lines 27 through 29, and lines 33 and 34.**				
	27	Unrestricted net assets		50,018,683	27	23,646,082
	28	Temporarily restricted net assets		757,526	28	691,314
	29	Permanently restricted net assets		9,438,660	29	9,361,014
		Organizations that do not follow SFAS 117, check here ▶ ☐ and complete lines 30 through 34.				
	30	Capital stock or trust principal, or current funds			30	
	31	Paid-in or capital surplus, or land, building, or equipment fund			31	
	32	Retained earnings, endowment, accumulated income, or other funds			32	
	33	Total net assets or fund balances		60,214,869	33	33,698,410
	34	Total liabilities and net assets/fund balances		124,871,312	34	119,109,206

Part XI Financial Statements and Reporting

			Yes	No
1		Accounting method used to prepare the Form 990: ☐ Cash ☑ Accrual ☐ Other		
2a		Were the organization's financial statements compiled or reviewed by an independent accountant?		✓
b		Were the organization's financial statements audited by an independent accountant?	✓	
c		If "Yes" to lines 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?	✓	
3a		As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	✓	
b		If "Yes," did the organization undergo the required audit or audits?	✓	

RIDOH 2525

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

To be completed by all section 501(c)(3) organizations and section 4947(a)(1) nonexempt charitable trusts.

▶ **Attach to Form 990 or Form 990-EZ.** ▶ **See separate instructions.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization	Employer identification number
MEMORIAL HOSPITAL	05 : 0259004

Part I Reason for Public Charity Status (All organizations must complete this part.) (see instructions)

The organization is not a private foundation because it is: (Please check only **one** organization.)

1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i).**

2 ☐ A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E.)

3 ☑ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).** (Attach Schedule H.)

4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state: _____

5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II.)

6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**

7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

8 ☐ A community trust described in **section 170(b)(1)(A)(vi).** (Complete Part II.)

9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2).** (Complete Part III.)

10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4).** (see instructions)

11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h.

a ☐ Type I **b** ☐ Type II **c** ☐ Type III–Functionally integrated **d** ☐ Type III–Other

e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).

f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box . . . . . ☐

g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
(i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 11g(i)		
(ii) A family member of a person described in (i) above? 11g(ii)		
(iii) A 35% controlled entity of a person described in (i) or (ii) above? 11g(iii)		

h Provide the following information about the organizations the organization supports.

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

RIDOH 2526

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 **Total.** Add lines 1-3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 **Public support.** Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 **Total support.** Add lines 7 through 10						

12 Gross receipts from related activities, etc. (see instructions) 12

13 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** . . . . . ▶ ☐

Section C. Computation of Public Support Percentage

14 Public support percentage for 2008 (line 6, column (f) divided by line 11, column (f)) . . . . 14 %

15 Public support percentage from 2007 Schedule A, Part IV-A, line 26f . . . . . 15 %

16a **33⅓ % support test—2008.** If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

b **33⅓ % support test—2007.** If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and **stop here.** The organization qualifies as a publicly supported organization . . . . . ▶ ☐

17a **10%-facts-and-circumstances test—2008.** If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . ▶ ☐

b **10%-facts-and-circumstances test—2007.** If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and **stop here.** Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization . . . . . ▶ ☐

18 **Private foundation.** If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ▶ ☐

RIDOH 2527

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 **Total.** Add lines 1-5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of 1% of the total of lines 9, 10c, 11, and 12 for the year or $5,000						
c Add lines 7a and 7b						
8 **Public support** (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ▶	(a) 2004	(b) 2005	(c) 2006	(d) 2007	(e) 2008	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 **Total support.** (Add lines 9, 10c, 11, and 12.)						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ▶ ☐

Section C. Computation of Public Support Percentage

15 Public support percentage for 2008 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2007 Schedule A, Part IV-A, line 27g	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for **2008** (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from **2007** Schedule A, Part IV-A, line 27h	18	%

19a **33⅓ % support tests—2008.** If the organization did not check the box on line 14, and line 15 is more than 33⅓ %, and line 17 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

b **33⅓ % support tests—2007.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓ %, and line 18 is not more than 33⅓ %, check this box and **stop here.** The organization qualifies as a publicly supported organization ▶ ☐

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ▶ ☐

RIDOH 2528

Part IV **Supplemental Information.** Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Provide any other additional information. (see instructions)

RIDOH 2529

SCHEDULE D (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

▶ Attach to Form 990. To be completed by organizations that answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11, or 12.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization: MEMORIAL HOSPITAL

Employer identification number: 05 0259004

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor or other impermissible private benefit? ☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure)
☐ Protection of natural habitat
☐ Preservation of open space
☐ Preservation of an historically important land area
☐ Preservation of certified historic structure

2 Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ▶ _____

4 Number of states where property subject to conservation easement is located ▶ _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff or volunteer hours devoted to monitoring, inspecting, and enforcing easements during the year ▶ _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing easements during the year ▶ $ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

(ii) Assets included in Form 990, Part X ▶ $ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ▶ $ _____

b Assets included in Form 990, Part X ▶ $ _____

RIDOH 2530

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets *(continued)*

3 Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply):

- a ☐ Public exhibition
- b ☐ Scholarly research
- c ☐ Preservation for future generations
- d ☐ Loan or exchange programs
- e ☐ Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Trust, Escrow and Custodial Arrangements. Complete if organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

		Amount
c Beginning balance	1c	
d Additions during the year	1d	
e Distributions during the year	1e	
f Ending balance	1f	

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	9,438,660				
b Contributions	0				
c Investment earnings or losses	-77,646				
d Grants or scholarships	0				
e Other expenditures for facilities and programs	0				
f Administrative expenses	0				
g End of year balance	9,361,014				

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ► 0 %
- b Permanent endowment ► 100 %
- c Term endowment ► 0 %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations — 3a(i)		✓
(ii) related organizations — 3a(ii)		✓
b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? — 3b		

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Depreciation	(d) Book value
1a Land	1,822,002	0		1,822,002
b Buildings	47,162,356	0	27,248,717	19,913,639
c Leasehold improvements	0	0	0	0
d Equipment	55,782,044	0	43,706,849	12,075,195
e Other	1,942,556	0	1,428,793	513,763
Total. Add lines 1a–1e. *(Column (d) should equal Form 990, Part X, column (B), line 10(c).)* ►				34,324,599

RIDOH 2531

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Financial derivatives and other financial products	0	
Closely-held equity interests	0	
Other STOCKS	$16,348,193	F
BONDS	$8,614,059	F
OTHER	$17,794,600	F
Dividend Receivable	$200,000	F
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 12.)* ▶	42,956,852	

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 13.)* ▶		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Deferred Financing Costs	$260,829
Estimated Third Party Liability	$3,062,696
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 15.)* ▶	3,323,525

Part X Other Liabilities. See Form 990, Part X, line 25.

(a) Description of liability	(b) Amount
Federal income taxes	0
Current Portion of Long term Debt	$1,582,385
Line of Credit	$5,000,000
Accrued Interest Payable	$174,984
Insurance Claims Reserve	$1,154,752
Minimum Pension Liability	$36,780,563
Other Liabilities	$2,399,725
Total. *(Column (b) should equal Form 990, Part X, col. (B) line 25.)* ▶	47,092,409

In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

RIDOH 2532

Part XI Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	171,871,701
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	178,727,438
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	-6,855,737
4	Net unrealized gains (losses) on investments	4	3,236,816
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV)	8	0
9	Total adjustments (net). Add lines 4–8	9	3,236,816
10	Excess or (deficit) for the year per financial statements. Combine lines 3 and 9	10	-3,618,921

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements			1	175,168,951
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:				
a	Net unrealized gains on investments	2a	3,236,816		
b	Donated services and use of facilities	2b	0		
c	Recoveries of prior year grants	2c	0		
d	Other (Describe in Part XIV)	2d	0		
e	Add lines **2a** through **2d**			2e	3,236,816
3	Subtract line **2e** from line **1**			3	171,932,135
4	Amounts included on Form 990, Part VIII, line 12, but not on line **1**:				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	-60,434		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	-60,434
5	Total revenue. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 12.)			5	171,871,701

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements			1	178,787,872
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:				
a	Donated services and use of facilities	2a	0		
b	Prior year adjustments	2b	0		
c	Losses reported on Form 990, Part IX, line 25	2c	0		
d	Other (Describe in Part XIV)	2d	60,434		
e	Add lines **2a** through **2d**			2e	60,434
3	Subtract line **2e** from line **1**			3	178,727,438
4	Amounts included on Form 990, Part IX, line 25, but not on line **1:**				
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0		
b	Other (Describe in Part XIV)	4b	0		
c	Add lines **4a** and **4b**			4c	0
5	Total expenses. Add lines **3** and **4c.** (This should equal Form 990, Part I, line 18.)			5	178,727,438

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b.

Schedule D, Part V, Line 4 - The principle of the permenantly restricted funds are maintained to earn income. The intended purpose of the earned income is to provide beds for uninsured persons.

Schedule D, Part X - The adoption of FIN48 had no impact on the financial statements of The Memorial Hospital.

Schedule D, Part XIII, Line 2d - Assets released from restrictions for general operations.

RIDOH 2533

SCHEDULE H (Form 990)

Department of the Treasury
Internal Revenue Service

Hospitals

▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.

▶ Attach to Form 990.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization
MEMORIAL HOSPITAL

Employer identification number
05 : 0259004

Part I Charity Care and Certain Other Community Benefits at Cost *(Optional for 2008)*

		Yes	No
1a	Does the organization have a charity care policy? If "No," skip to question 6a		
1b	If "Yes," is it a written policy?		
2	If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. ☐ Applied uniformly to all hospitals ☐ Applied uniformly to most hospitals ☐ Generally tailored to individual hospitals		
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients.		
3a	Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing *free* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: ☐ 100% ☐ 150% ☐ 200% ☐ Other _____ %		
3b	Does the organization use FPG to determine eligibility for providing *discounted* care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: ☐ 200% ☐ 250% ☐ 300% ☐ 350% ☐ 400% ☐ Other _____ %		
3c	If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.		
4	Does the organization's policy provide free or discounted care to the "medically indigent"?		
5a	Does the organization budget amounts for free or discounted care provided under its charity care policy?		
5b	If "Yes," did the organization's charity care expenses exceed the budgeted amount?		
5c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care?		
6a	Does the organization prepare an annual community benefit report?		
6b	If "Yes," does the organization make it available to the public?		

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

7 Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from *Worksheets 1 and 2*)						
b Unreimbursed Medicaid (from *Worksheet 3, column a*)						
c Unreimbursed costs—other means-tested government programs (from *Worksheet 3, column b*)						
d **Total** Charity Care and Means-Tested Government Programs						
Other Benefits						
e Community health improvement services and community benefit operations (from Worksheet 4)						
f Health professions education (from Worksheet 5)						
g Subsidized health services (from Worksheet 6)						
h Research (from Worksheet 7)						
i Cash and in-kind contributions to community groups (from Worksheet 8)						
j **Total** Other Benefits						
k **Total** (line 7d and 7j)						

RIDOH 2534

Part II **Community Building Activities** Complete this table if the organization conducted any community building activities. *(Optional for 2008)*

		(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1	Physical improvements and housing						
2	Economic development						
3	Community support						
4	Environmental improvements						
5	Leadership development and training for community members						
6	Coalition building						
7	Community health improvement advocacy						
8	Workforce development						
9	Other						
10	**Total**						

Part III **Bad Debt, Medicare, & Collection Practices** *(Optional for 2008)*

Section A. Bad Debt Expense

			Yes	No
1	Does the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1		
2	Enter the amount of the organization's bad debt expense (at cost)	2		
3	Enter the estimated amount of the organization's bad debt expense (at cost) attributable to patients eligible under the organization's charity care policy.	3		
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, or rationale for including other bad debt amounts in community benefit.			

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	5		
6	Enter Medicare allowable costs of care relating to payments on line 5	6		
7	Enter line 5 less line 6—surplus or (shortfall)	7		
8	Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit and the costing methodology or source used to determine the amount reported on line 6, and indicate which of the following methods was used: ☐ Cost accounting system ☐ Cost to charge ratio ☐ Other			

Section C. Collection Practices

9a	Does the organization have a written debt collection policy?	9a		
b	If "Yes," does the organization's collection policy contain provisions on the collection practices to be followed for patients who are known to qualify for charity care or financial assistance? Describe in Part VI	9b		

Part IV **Management Companies and Joint Ventures** *(Optional for 2008)*

	(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					

RIDOH 2535

Part V **Facility Information** *(Required for 2008)*

Name and address	Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (Describe)
Memorial Hospital of Rhode Island 111 Brewster Street Pawtucket, RI 02860	✓	✓		✓	✓	✓	✓		

RIDOH 2536

Part VI Supplemental Information *(Optional for 2008)*

Complete this part to provide the following information.

1 Provide the description required for Part I, line 3c; Part I, line 6a; Part I, line 7g; Part I, line 7, column (f); Part I, line 7; Part III, line 4; Part III, line 8; Part III, line 9b, and Part V. See Instructions.

2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves.

3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy.

4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.

5 **Community building activities.** Describe how the organization's community building activities, as reported in Part II, promote the health of the communities the organization serves.

6 Provide any other information important to describing how the organization's hospitals or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).

7 If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.

8 If applicable, identify all states with which the organization, or a related organization, files a community benefit report.

RIDOH 2537

SCHEDULE J (Form 990)

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 23.**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 0259004

Part I Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
	☐ First-class or charter travel		
	☐ Travel for companions		
	☐ Tax indemnification and gross-up payments		
	☐ Discretionary spending account		
	☐ Housing allowance or residence for personal use		
	☐ Payments for business use of personal residence		
	☐ Health or social club dues or initiation fees		
	☐ Personal services (e.g., maid, chauffeur, chef)		
b	If line 1a is checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain **1b**		
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a? . **2**		
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.		
	☑ Compensation committee		
	☐ Independent compensation consultant		
	☑ Form 990 of other organizations		
	☑ Written employment contract		
	☑ Compensation survey or study		
	☑ Approval by the board or compensation committee		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a:		
a	Receive a severance payment or change of control payment? **4a**		✓
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan? **4b**		✓
c	Participate in, or receive payment from, an equity-based compensation arrangement? **4c**		✓
	If "Yes" to any of lines 4a–c, list the persons and provide the applicable amounts for each item in Part III.		
	Only 501(c)(3) and 501(c)(4) organizations must complete lines 5–8.		
5	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
a	The organization? **5a**		✓
b	Any related organization? **5b**		✓
	If "Yes" to line 5a or 5b, describe in Part III.		
6	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
a	The organization? **6a**		✓
b	Any related organization? **6b**		✓
	If "Yes" to line 6a or 6b, describe in Part III.		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III **7**		✓
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III **8**		✓

RIDOH 2538

Part II Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees. Use Schedule J-1 if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)–(iii) must equal the applicable column (D) or column (E) amounts on Form 990, Part VII, line 1a.

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)–(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
Francis R Dietz	(i)	$606,621	$0	$0	$0	$126,222	$732,843	$719,789
	(ii)	$0	$0	$0	$0	$0	$0	$0
Michael J Ryan	(i)	$187,947	$0	$0	$0	$28,808	$216,755	$209,432
	(ii)	$0	$0	$0	$0	$0	$0	$0
Elizabeth Girard	(i)	$175,077	$0	$0	$0	$28,992	$204,069	$197,230
	(ii)	$0	$0	$0	$0	$0	$0	$0
Michelle MacDonald Gallager	(i)	$260,154	$0	$0	$0	$31,011	$291,165	$283,027
	(ii)	$0	$0	$0	$0	$0	$0	$0
Jeffrey Borkan MD	(i)	$269,788	$0	$0	$0	$19,754	$289,542	$286,109
	(ii)	$0	$0	$0	$0	$0	$0	$0
Andrew Artenstein MD	(i)	$264,154	$0	$0	$0	$19,641	$283,795	$276,539
	(ii)	$0	$0	$0	$0	$0	$0	$0
Vera A Depalo MD	(i)	$270,418	$0	$0	$0	$11,809	$282,227	$364,718
	(ii)	$0	$0	$0	$0	$0	$0	$0
John Reidel MD	(i)	$260,988	$0	$0	$0	$19,578	$280,566	$0
	(ii)	$0	$0	$0	$0	$0	$0	$0
Brian Wiley MD	(i)	$286,416	$0	$0	$0	$12,129	$298,545	$0
	(ii)	$0	$0	$0	$0	$0	$0	$0
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							
	(i)							
	(ii)							

RIDOH 2539

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

RIDOH 2540

SCHEDULE K (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information on Tax-Exempt Bonds

▶ **Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 24a. Provide descriptions, explanations, and any additional information on Schedule O (Form 990).**

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 0259004

Part I Bond Issues *(Required for 2008)*

	(a) Issuer name	(b) Issuer EIN	(c) CUSIP #	(d) Date issued	(e) Issue price	(f) Description of purpose	(g) Defeased		(h) On behalf of issuer	
							Yes	No	Yes	No
A	See Statement 3									
B										
C										
D										
E										

Part II Proceeds *(Optional for 2008)*

		A	B	C	D	E
1	Total proceeds of issue					
2	Gross proceeds in reserve funds					
3	Proceeds in refunding or defeasance escrows					
4	Other unspent proceeds					
5	Issuance costs from proceeds					
6	Working capital expenditures from proceeds					
7	Capital expenditures from proceeds					
8	Year of substantial completion					

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
9	Were the bonds issued as part of a current refunding issue?										
10	Were the bonds issued as part of an advance refunding issue?										
11	Has the final allocation of proceeds been made?										
12	Does the organization maintain adequate books and records to support the final allocation of proceeds?										

Part III Private Business Use *(Optional for 2008)*

		A		B		C		D		E	
		Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1	Was the organization a partner in a partnership, or a member of an LLC, which owned property financed by tax-exempt bonds?										
2	Are there any lease arrangements with respect to the financed property which may result in private business use?										

RIDOH 2541

Part III Private Business Use *(Continued)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
3a Are there any management or service contracts with respect to the financed property which may result in private business use?										
b Are there any research agreements with respect to the financed property which may result in private business use?										
c Does the organization routinely engage bond counsel or other outside counsel to review any management or service contracts or research agreements relating to the financed property?										
4 Enter the percentage of financed property used in a private business use by entities other than a section 501(c)(3) organization or a state or local government ▶	%		%		%		%		%	
5 Enter the percentage of financed property used in a private business use as a result of unrelated trade or business activity carried on by your organization, another section 501(c)(3) organization, or a state or local government ▶	%		%		%		%		%	
6 Total of lines 4 and 5	%		%		%		%		%	
7 Has the organization adopted management practices and procedures to ensure the post-issuance compliance of its tax-exempt bond liabilities?										

Part IV Arbitrage *(Optional for 2008)*

	A		B		C		D		E	
	Yes	No	Yes	No	Yes	No	Yes	No	Yes	No
1 Has a Form 8038-T, Arbitrage Rebate, Yield Reduction and Penalty in Lieu of Arbitrage Rebate, been filed with respect to the bond issue?										
2 Is the bond issue a variable rate issue?										
3a Has the organization or the governmental issuer identified a hedge with respect to the bond issue on its books and records?										
b Name of provider										
c Term of hedge										
4a Were gross proceeds invested in a GIC?										
b Name of provider										
c Term of GIC										
d Was the regulatory safe harbor for establishing the fair market value of the GIC satisfied?										
5 Were any gross proceeds invested beyond an available temporary period?										
6 Did the bond issue qualify for an exception to rebate?										

RIDOH 2542

SCHEDULE O (Form 990)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

▶ Attach to Form 990. To be completed by organizations to provide additional information for responses to specific questions for the Form 990 or to provide any additional information.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 0259004

Form 990, Part VI, Section A, Line 10 - Once the Independent Audit is complete, the Controller of the organization gathers all the necessary information from various employees, Departments and Governing members. Several schedules are prepared to tie out different line items of the 990. The Controller then ulilizes an on-line software to complete the 990. The software ensures that all required fields are complete and all related Schedules are attached. The software verifies when the Form is complete and there are no errors. The draft 990 is then printed and submitted to the President of the organization for review. Copies are made and presented to the Board members at the next meeting. It is docomented in the minutes that the members have reviewed the 990 and have had questions and concerns addressed. The President then signs off on the 990 for electronic submission to the IRS.

Form 990, Part VI, Section B, Line 12c - Every Board member and employee is required to complete a Conflict of Interest Form on an annual basis. Any conflicts of interest must be disclosed. Signatures are required on all forms.

Form 990, Part VI, Section B, Line 15 - The organization has an Executive Committee which also acts as a Compensation Committee for the compensation of the CEO. In order to determine compensation, surveys are conducted for area CEOs. The committee also utilizes 990s from the other hospitals in the state of RI. The Compensation is approved by the Board of Directors, and a written employment contract is signed. The CEOs salary is reviewed each year, and is usually increased by a percentage no higher than the employees of the hospital.

Form 990, Part VI, Section C, Line 19 - The Annual Reports for the hospital are posted on the organization's website. It is also noted on the website that the hospital has a Conflict of Interest Policy and that copies are available upon request. The phone numbers of the Public Relations Department are posted on the website as well. The PR Department has been instructed to direct any requests for Audited Financial Statements and/or 990s to the Controller's office.

RIDOH 2543

SCHEDULE R (Form 990)

Department of the Treasury
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Attach to Form 990. To be completed by organizations that answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.

▶ See separate instructions.

OMB No. 1545-0047

2008

Open to Public Inspection

Name of the organization

MEMORIAL HOSPITAL

Employer identification number

05 : 0259004

Part I Identification of Disregarded Entities

(A) Name, address, and EIN of disregarded entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Total income	(E) End-of-year assets	(F) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Exempt Code section	(E) Public charity status (if section 501(c)(3))	(F) Direct controlling entity
See Statement 4					

RIDOH 2544

Part III Identification of Related Organizations Taxable as a Partnership

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Predominant income (related, investment, unrelated)	(F) Share of total income	(G) Share of end-of-year assets	(H) Disproportionate allocations? Yes	(H) No	(I) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(J) General or managing partner? Yes	(J) No

Part IV Identification of Related Organizations Taxable as a Corporation or Trust

(A) Name, address, and EIN of related organization	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Direct controlling entity	(E) Type of entity (C corp, S corp, or trust)	(F) Share of total income	(G) Share of end-of-year assets	(H) Percentage ownership
See Statement 5							

RIDOH 2545

Part V Transactions With Related Organizations

Note. Complete line 1 if any entity is listed in Parts II, III, or IV.

		Yes	No
1	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II–IV?		
a	Receipt of **(i)** interest **(ii)** annuities **(iii)** royalties **(iv)** rent from a controlled entity	1a		✓
b	Gift, grant, or capital contribution to other organization(s)	1b	✓	
c	Gift, grant, or capital contribution from other organization(s)	1c	✓	
d	Loans or loan guarantees to or for other organization(s)	1d		✓
e	Loans or loan guarantees by other organization(s)	1e		✓
f	Sale of assets to other organization(s)	1f		✓
g	Purchase of assets from other organization(s)	1g		✓
h	Exchange of assets	1h		✓
i	Lease of facilities, equipment, or other assets to other organization(s)	1i	✓	
j	Lease of facilities, equipment, or other assets from other organization(s)	1j	✓	
k	Performance of services or membership or fundraising solicitations for other organization(s)	1k	✓	
l	Performance of services or membership or fundraising solicitations by other organization(s)	1l		✓
m	Sharing of facilities, equipment, mailing lists, or other assets	1m	✓	
n	Sharing of paid employees	1n		✓
o	Reimbursement paid to other organization for expenses	1o		✓
p	Reimbursement paid by other organization for expenses	1p		✓
q	Other transfer of cash or property to other organization(s)	1q		✓
r	Other transfer of cash or property from other organization(s)	1r		✓

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(A) Name of other organization(s)	(B) Transaction type (a–r)	(C) Amount involved
	See Statement 6		
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			

RIDOH 2546

Part VI Unrelated Organizations Taxable as a Partnership

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

(A) Name, address, and EIN of entity	(B) Primary activity	(C) Legal domicile (state or foreign country)	(D) Are all partners section 501(c)(3) organizations?		(E) Share of end-of-year assets	(F) Disproportionate allocations?		(G) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(H) General or managing partner?	
			Yes	No		Yes	No		Yes	No

RIDOH 2547

Statement 1 : First Program Service Accomplishments
Statement 2 : Contractor Compensation
Statement 3 : Bond Issues
Statement 4 : Description of Identification of Related Tax-Exempt Organizations
Statement 5 : Description of Related Organizations Taxable as a Corporation or Trust
Statement 6 : Description of Covered Relationships and Transaction Thresholds

First Program Service Accomplishments

Activity Code	Description	Expense	Grants	Revenue
	Health Care Delivery & Management: Funds received were used to provide funding for the exempt purpose of general patient care. The Memorial Hospital is an acute care,not-for-profit teaching community health institution and research facility serving the Blackstone Valley community of Rhode Island and Massachusetts. Memorial, which is located in Pawtucket, Rhode Island, is a teaching affiliate of the Warren Alpert Medical School of Brown University and the chief site for the medical schools primary care academic program housed in the Center for Primary Care. Memorials goals are to provide quality multi-disciplinary services, to see patients regardless of race, color, national origin, socioeconomic status or place of residence, and to act as an educational resource for patients, physicians, nurses and the community. Memorial provides care to patients who meet certain criteria under its charity care policy without charge or at amounts less than its established rates. Because Memorial does not pursue collection of amounts determined to qualify as charity care, they are not reported as revenue. Memorial provided 32,253 patient days of service in the year ended September 30, 2009. Memorial had 6,460 admissions, with an ALOS of 4.98 days. Memorial operates a Level 2 trauma center ER, which serves patients regardless of their ability to pay. For the year ended Sept 30, 2009, Memorial provided its patients with 32,611 ER visits. Primarily through the Department of Family Medicine, Memorial attempts to integrate patient care within the context of the patients family, and, whenever possible and appropriate, care for the family as a unit. Memorial also seeks to cooperate with community organizations in the management of patient care. The department of Family Medicine follows patients in whatever setting they present, whether home, nursing home or tertiary care center. To help accomplish this goal, Memorial has a Home Care Departmentwhich works with the Departments of Medicine, Nursing, Social Services, Physical Therapy, Utilization Review, Medical/Surgical Supply and Pharmacy to ensure that patients leaving the inpatient services receive continuous and appropriate care after leaving Memorial. Memorial has well-developed programs in Occupational Health, Physical Therapy and Medical Rehabilitation. Memorials research is internationally recognized. Many of the materials and procedures developed are being used all over the country. Two of the many widely recognized programs at Memorial are the Osteoarthritis Initiative, and the Womens Heath Intiiative. Memorials research efforts are guided by the goal of working to address unmet health needs in our community. Memorials Department of Family Medicine accepts approximately 13 residents per year for a total of 39 residents in the training program. This program is nationally competitive, matching with high quality residents in spite of the decreasing interest of medical students in primary care specialties. The Department of Family Medicine has developed model teaching community health centers at two centers which serve a large number of medically indigent patients in the Blackstone Valley. These models of community based education, research and patient care serve as training sites for residents who desire a career in rural or urban community health centers.	$158,507,393	$0	$0

Contractor Compensation

Name and address:	Description Of Services	Compensation
Lifespan - RI Hospital PO Box 373 Providence, RI 02901-0373	Physician Services	$699,125
Aramark Corporation PO Box 651009 Charlotte, NC 28265-1009	Dietary Services	$712,049
Quest Diagnostics 3924 Collection Center Drive Chicago, IL 60693-0039	Laboratory Services	$627,872
Universal Hospital Services PO Box 86 Minneapolis, MN 55486-0940	Clinical Engineering Services	$607,213
University Surgical Associates 593 Eddy Street Apt 431 Providence, RI 02903	Surgical Physician Services	$539,316
Total:		**$3,185,575**

Bond Issues

		Issue Price
Issuer Name	Rhode Island Health and Educational Building Corp	$25,358,159
Issuer EIN	52-1300173	
CUSIP #	762243EY5	
Date Issued	12/24/2003	
Description Of Purpose	Capital Renovations and Equipment Purchases	
Defeased	No	
On Behalf Of Issuer	No	

Description of Identification of Related Tax-Exempt Organizations

Name, address and EIN	RS Realty Company 111 Brewster Street Pawtucket, RI 02860 050343043
Primary activities	Provide rental property for affiliated Healthcare organizations
State or foreign country	RI
Exempt code section	501(c)2
Public charity status	
Direct controlling entity	N/A
Name, address and EIN	Southeastern Healthcare System Inc 111 Brewster Street Pawtucket, RI 02860 061476858
Primary activities	Develop and maintain an integrated healthcare system
State or foreign country	RI
Exempt code section	501(c)3
Public charity status	11 Type II
Direct controlling entity	N/A
Name, address and EIN	SHS Ventures Inc 111 Brewster Street Pawtucket, RI 02860 050510341
Primary activities	Provide primary healthcare services
State or foreign country	RI
Exempt code section	501(c)3
Public charity status	9
Direct controlling entity	N/A
Name, address and EIN	Blackstone Health Inc 111 Brewster Street Pawtucket, RI 02860 050427007
Primary activities	Provided continuum of care
State or foreign country	RI
Exempt code section	501(c)3
Public charity status	9
Direct controlling entity	N/A

Description of Related Organizations Taxable as a Corporation or Trust

		Share of total income	Share of end-of-year assets	Percentage ownership
Name, address and EIN	Primary Care Centers of New England Inc 111 Brewster Street Pawtucket, RI 02860 050423957	$1,652	$588,346	100%
Primary activity	Provide Support Services to Healthcare affiliates			
State or foreign country	RI			
Direct controlling entity	N/A			
Type of entity	C			
Name, address and EIN	Memorial Physician Hospital Organization Inc 111 Brewster Street Pawtucket, RI 02860 050462438	$15,874	$263,646	50%
Primary activity	Health Service Contracting			
State or foreign country	RI			
Direct controlling entity	N/A			
Type of entity	C			

Description of Covered Relationships and Transaction Thresholds

		Amount involved
Name	RS Realty Company	$57,600
Transaction type	j	
Name	RS Realty Company	$37,500
Transaction type	l	
Name	SHS Ventures Inc	$200,000
Transaction type	b	
Name	SHS Ventures Inc	$50,846
Transaction type	k	
Name	SHS Ventures Inc	$159,840
Transaction type	j	
Name	Southeastern Healthcare System Inc	$60,000
Transaction type	k	
Name	Blackstone Health Inc	$30,900
Transaction type	k	
Name	Primary Care Centers of New England Inc	$62,000
Transaction type	k	
Name	RS Realty Company	$200,000
Transaction type	c	

RIDOH 2554