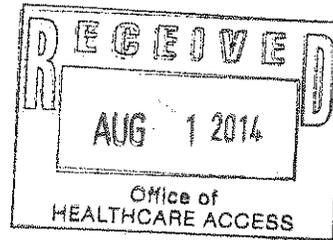


**BERSHTEIN, VOLPE & McKEON, P.C.**  
ATTORNEYS AT LAW  
105 COURT STREET—THIRD FLOOR  
NEW HAVEN, CONNECTICUT 06511  
TELEPHONE: (203) 777-5800  
FACSIMILE: (203) 777-5806

July 31, 2014

Kimberly Martone  
Director of Operations  
Office of Health Care Access  
Department of Public Health  
410 Capital Avenue, MS#13HCA  
Hartford, CT 06134-0308



**Re: Certificate of Need regarding the operational status of certain outpatient services at or by Lawrence + Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital**

Dear Ms. Martone:

Enclosed please find one original and four copies of Lawrence + Memorial Hospital's Certificate of Need regarding the operational status of certain outpatient services at or by Lawrence + Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital pursuant to 13-31829-DTR and 14-31910- DTR. As requested, also enclosed is a scanned copy of the complete application on a CD.

We are also enclosing a check in the amount of \$500 for payment of the filing fee.

Thank you very much for your consideration of the enclosed application.

Regards,

  
Kathleen Gedney, Esq.

Enclosures

## Application Checklist

### Instructions:

1. Please check each box below, as appropriate; and
2. The completed checklist *must* be submitted as the first page of the CON application.

- Attached is the CON application filing fee in the form of a certified, cashier or business check made out to the "Treasurer State of Connecticut" in the amount of \$500.

### For OHCA Use Only:

Docket No.: \_\_\_\_\_ Check No.: \_\_\_\_\_  
OHCA Verified by: \_\_\_\_\_ Date: \_\_\_\_\_

- Attached is evidence demonstrating that public notice has been published in a suitable newspaper that relates to the location of the proposal, 3 days in a row, at least 20 days prior to the submission of the CON application to OHCA. (OHCA requests that the Applicant fax a courtesy copy to OHCA (860) 418-7053, at the time of the publication)
- Attached is a paginated hard copy of the CON application including a completed affidavit, signed and notarized by the appropriate individuals.
- Attached are completed Financial Attachments I and II.
- Submission includes one (1) original and four (4) hard copies with each set placed in 3-ring binders.

**Note:** A CON application may be filed with OHCA electronically through email, if the total number of pages submitted is 50 pages or less. In this case, the CON Application must be emailed to the following email addresses:

[steven.lazarus@ct.gov](mailto:steven.lazarus@ct.gov) and [leslie.greer@ct.gov](mailto:leslie.greer@ct.gov).

**Important:** For CON applications (less than 50 pages) filed electronically through email, the signed affidavit and the check in the amount of \$500 must be delivered to OHCA in hardcopy.

- The following have been submitted on a CD
1. A scanned copy of each submission in its entirety, including all attachments in Adobe (.pdf) format.
  2. An electronic copy of the documents in MS Word and MS Excel as appropriate.

# LAWRENCE & MEMORIAL HOSPITAL

L000921 DATE: 07/23/14  
CHECK NO: 342577

INVOICE NO.	DATE	DESCRIPTION	GROSS AMT.	DISCOUNT	NET AMOUNT
OHCA JULY 2014	07/22/14		500.00	0.00	500.00
PAYEE: ACCOUNTS PAYABLE			<b>TOTALS</b>		
PAYER: L000921			500.00	0.00	500.00

VERIFY THE AUTHENTICITY OF THIS MULTI-TONE SECURITY DOCUMENT. CHECK BACKGROUND AREA CHANGES COLOR GRADUALLY FROM TOP TO BOTTOM.

## LAWRENCE & MEMORIAL HOSPITAL

200 New London, CT 06320

51-57  
119

DATE: 07/23/14  
CHECK NUMBER: 342577

PAY TO THE ORDER OF: FIVE HUNDRED 00/100

**AMOUNT**  
\*\*\*\*\*\$500.00

VOID OVER 60 DAYS

BY: \_\_\_\_\_  
TREASURER, STATE OF CT

  
AUTHORIZED SIGNATURE

AMERICAN SAVINGS BANK





# Classified

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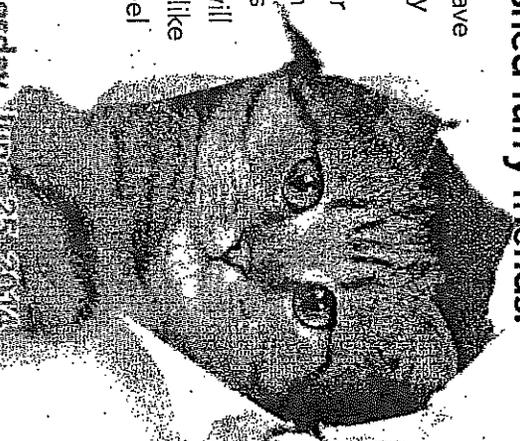
We will display your name as the sponsor, or you may include a loving memory of your own cherished furry friends.

Sponsor a pet on our special "Save a Life" page, appearing in The Day on Sunday, June 29, 2014. Your sponsorship will secure a space for a pet who is available for adoption at a local animal shelter and needs a good home. This special page will save a pet's life, thanks to people like you! Be part of saving a life and feel great about doing it.

Deadline: 12:00 noon, Wednesday, June 25, 2014

Please use one form per sponsor. Copies will be accepted.

Name \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_  
 Phone: (\_\_\_\_) \_\_\_\_\_



regulatory authority will conduct a hearing, at its offices, Ten Franklin Square, New Britain, Connecticut, on Thursday, June 26, 2014, concerning Docket No. 14-03-46 - Joint Application of Frontier Communications Corporation and AT&T Inc. for Approval of a Change of Control. The hearing will continue on additional dates, if deemed necessary. For information and the Notice of Hearing filed with the Secretary of State's Office, contact PUBLIC UTILITIES REGULATORY AUTHORITY, NICHOLAS E. NEELEY, ACTING EXECUTIVE SECRETARY. The public may call the Authority's offices, at (860) 827-1255, option 4 (using a touch tone phone), commencing each day from 7:30 a.m. to be advised as to whether this hearing has been cancelled or postponed due to inclement weather.

**17374**  
 Lawrence Memorial Hospital is applying for a Certificate of Need regarding the 2008 Transfer of certain professional services (Ophthalmology, diabetes, neonatology, infectious disease, surgical medicine, and OB/GYN clinic) to ASSETT, a wholly owned not-for-profit entity of the Hospital at 365 Montross Avenue, New London CT 06320. The total capital expenditure was \$0.

**17350**  
 Notice of Application. This is to give notice that BRIAN MATTHEW STRADZCZYK, 170 FLANDERS RD., APT. R6, MANTIC, CT 06357-1211 has filed an application with the Department of Consumer Protection for a RESTAURANT LIQUOR PERMIT for the sale of alcoholic liquor on the premises at 208 BANK ST., NEW LONDON, CT 06320-6054. The business will be owned by: UBU LLC. Entertainment will consist of Acoustic (Not Amplified) Disc Jockey Karaoke. Live Bands comedians. Objections must be filed by 07/17/2014. BRIAN MATTHEW

**17374**  
 NOTICE TO CREDITORS. ESTATE OF SHIRLEY B. SHUBER (D-204) the Hon. Jeffrey A. Wickham, Judge of the Court of Probate, District of Niantic Regional Probate District, by decree dated June 12, 2014, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim. Debtor: Maken, Clerk, The fiduciary is: Robert Shuber c/o Law Center of Connecticut, LLC, 131 New London Pike, Suite 102, Glaston

**17379**  
 Niantic Regional Probate District. NOTICE TO CREDITORS. ESTATE OF SHIRLEY B. SHUBER (D-204) the Hon. Jeffrey A. Wickham, Judge of the Court of Probate, District of Niantic Regional Probate District, by decree dated June 12, 2014, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim. Debtor: Maken, Clerk, The fiduciary is: Robert Shuber c/o Law Center of Connecticut, LLC, 131 New London Pike, Suite 102, Glaston

**17379**  
 Niantic Regional Probate District. NOTICE TO CREDITORS. ESTATE OF SHIRLEY B. SHUBER (D-204) the Hon. Jeffrey A. Wickham, Judge of the Court of Probate, District of Niantic Regional Probate District, by decree dated June 12, 2014, ordered that all claims must be presented to the fiduciary at the address below. Failure to promptly present any such claim may result in the loss of rights to recover on such claim. Debtor: Maken, Clerk, The fiduciary is: Robert Shuber c/o Law Center of Connecticut, LLC, 131 New London Pike, Suite 102, Glaston

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**AMERICAN AN**  
 1994 Los Angeles Olympic Patches - 5 Total, U.S. Olympic Shooting Team, All V6 Cam, \$20, 860.334.8666

**AMERICAN AN**  
 Political Campaign for Gorton, CT, 12 Seat, 1500, 1972-1980, 1980-1985, 1985-1990, \$20/lot, 860.535.0999

**AMERICAN AN**  
 Signed Heart Print, Charles W. Morgan - Whaling in the Arctic, Matted and Framed \$700, 860.245.3603

**AMERICAN AN**  
 Tobacco Can/Tip + Lid - Dill's Best, Cohn Cig. With Worm on Top of Lid, Virginia, USA, \$15, 860.917.6364

**AMERICAN AN**  
 16X26 DIY Steel Building Kit - Easy assembly, still on skids, list price \$14,000, asking \$9000, 860-894-3693

**AMERICAN AN**  
 Cedar Boards - 1X6X2, \$125 each, Excellent Quality Wood, Brian Terry, 1000 656 IBC, 860-716-2599



**AFFIDAVIT**

Applicant: Lawrence + Memorial Hospital, Inc.

Project Title: Operational status of certain outpatient services at or by Lawrence & Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital

I, Bruce Cummings, President/CEO  
(Individual's Name) (Position Title – CEO or CFO)

of Lawrence + Memorial Hospital, Inc. being duly sworn, depose and state that  
(Hospital or Facility Name)

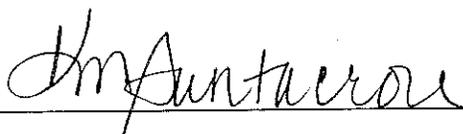
Lawrence + Memorial Hospital, Inc.'s information submitted in this Certificate of  
(Hospital or Facility Name)

Need Application is accurate and correct to the best of my knowledge.

  
Signature

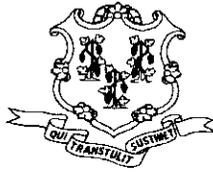
7/24/14  
Date

Subscribed and sworn to before me on 7.24.2014

  
Notary Public/Commissioner of Superior Court

My commission expires:





## State of Connecticut Office of Health Care Access Certificate of Need Application

**Instructions:** Please complete all sections of the Certificate of Need ("CON") application. If any section or question is not relevant to your project, a response of "Not Applicable" may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

**Docket Number:** 13-31829; 14-31910

**Applicant:** Lawrence + Memorial Hospital, Inc.

**Contact Person:** Ms. Shraddha Patel

**Contact Person's Title:** Director of Business Development and Planning

**Contact Person's Address:** 365 Montauk Avenue, New London, CT 06320

**Contact Person's Phone Number:** (860) 912-5324

**Contact Person's Fax Number:** (860) 444-3741

**Contact Person's Email Address:** spatel@lmhosp.org

**Project Town:** New London, CT and other towns in the L+M service area

**Project Name:** Operational status of certain outpatient services at or by Lawrence & Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital

**Statute Reference:** Section 19a-638, C.G.S.

**Estimated Total Capital Expenditure:** \$0

00001

## 1. Project Description: Service Termination

- a. For each of the services related to this termination, identify the location, population served, hours of operation, and whether the service is proposed for termination.

Lawrence + Memorial Hospital, Inc. (the "Hospital") is a not-for-profit acute care general hospital with its main campus located at 365 Montauk Avenue, New London, Connecticut. The Hospital has historically offered numerous services at various locations within its primary service area including, but not limited to certain behavioral health counseling professional services, diabetes professional services through an association with the Joslin Diabetes Clinic at the Harvard Medical School in Boston, OB/GYN Clinic professional services, neonatology professional services and Infectious Disease<sup>1</sup> professional services (collectively, the "Transferred Professional Services"). On January 1, 2008, Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), an active, tax-exempt non-stock corporation, was established by the Hospital as a wholly owned entity. Both ASSECT and the Hospital are under the control of Lawrence and Memorial Corporation ("L+M").

Around the time ASSECT was formed, most Connecticut hospitals had formed or were forming entities to provide professional services ("Professional Entities"). It is common information and belief within the Connecticut hospital community and healthcare legal community that hospitals were not historically required to submit a CON application for the formation of entities providing professional services and the transfer of such professional services to the Professional Entity. These Professional Entities were often structured as either captive professional entities controlled by a hospital, or affiliates of the hospital. When the medical foundation statute was passed on July 8, 2009, it was acknowledged by OHCA that these Professional Entities existed and it provided for the merger or conversion of the same into medical foundations.

L+M made numerous representations to OHCA in its detailed filings from 2008 filed on March 30, 2009 and attached hereto as Exhibit A ("2008 Filings"). The 2008 Filings reflect, in numerous places, that L+M had fully disclosed the formation of a new physician entity, ASSECT, and had restructured the physician and professional component of certain hospital services to ASSECT. OHCA accepted the 2008 Filings and they were also reviewed at the highest level as they were requested by Commissioner Vogel to be certified by L+M. At no time during OHCA's review of the 2008 Filings and follow up inquiry did OHCA require L+M to submit a Determination or CON. At no time during OHCA's review of any of L+M's detailed filings, including organizational charts, did OHCA require L+M to submit a Determination or CON regarding the transfer of these services. OHCA has recognized the existence of ASSECT in other accepted filings including OHCA's publication of its Annual Reports on the Financial Status of Connecticut's Short Term Hospitals (See, Fiscal Year Reports 2008-current).

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<sup>1</sup> Previously referred to as the HIV/AIDS Clinic.

Prior to April 1, 2008, the Hospital billed and received reimbursement for the Transferred Professional Services. On April 1, 2008, the Hospital ceased billing and receiving reimbursement for the Transferred Professional Services. At the same time, ASSECT began billing and receiving reimbursement for the Transferred Professional Services.

No changes to the location of services, patient base, population served or hours of operation were made concurrent with the change from the Hospital as the billing entity to ASSECT as the billing entity. The same physicians and professionals were providing the Transferred Professional Services. The same services were delivered in the same manner to the same patient population. ASSECT and the Hospital are clinically integrated and have integrated scheduling. ASSECT and the Hospital are both tax exempt organizations.

OHCA has requested L+M submit this CON for all services transferred to ASSECT at the time of its creation. Below is a list of each of the services transferred to ASSECT, along with the location, population served and hours of operation of the service:

<b>Transferred Professional Service</b>	<b>Location</b>	<b>Population served</b>	<b>Hours of operation</b>
Behavioral Health Professional Services	Main Campus	Patients in the Hospital service area.	Available 7 days a week, 24 hours a day.
Joslin Diabetes Clinic –Main Campus	Main Campus	Patients in the Hospital service area.	Available 7 days a week, 24 hours a day.
Joslin Diabetes Clinic –Mystic	Mystic	Patients in the service area.	Monday- Friday, 9am- 5pm.
Joslin Diabetes Clinic – Old Saybrook	Old Saybrook	Patients in the service area.	Monday- Friday, 9am- 5pm.
OB/GYN Clinic	Main Campus	Female patients in the Hospital service area.	Monday- Friday, 9am- 5pm.
Neonatology Professional Services	Main Campus	Neonates in the Hospital service area.	Available 7 days a week, 24 hours a day.
Infectious Disease Professional Services	Main Campus	Patients in the Hospital service area.	Available 7 days a week, 24 hours a day.
Physician Assistant Surgical Services	Main Campus	Patients in the Hospital service area.	Available 7 days a week, 24 hours a day.

**b. Describe the history of the services proposed for termination, including when they were begun and whether CON authorization was received.**

None of the Transferred Professional Services were terminated. Only the physician/professional components of the Transferred Professional Services were transferred to ASSECT. In 2008 and upon and effective with the transfer of the Transferred Professional Services, the locations, hours, providers and services for the Transferred Professional Services were not changed.

Please see the table below regarding the history of the Transferred Professional Services.

Specific Service	History	CON authorization
Behavioral Health Professional Services	Historically provided by the Hospital.	None.
Joslin Diabetes Clinic Services –Main Campus	Opened in 1999 as a sub-licensed satellite of New Britain General Hospital.	None.
Joslin Diabetes Clinic Services –Mystic	Opened in 2002.	Yes, 02-541-CON.
Joslin Diabetes Clinic Services– Old Saybrook	Opened in 2008. Closed in 2013.	Yes, 06-30710-CON.
OB/GYN Clinic Services	The Hospital has offered various OB/GYN health services to underserved women in L+M's service area since the 1960's.	None.
Neonatology Professional Services	Historically provided by the Hospital.	None.
Infectious Disease Professional Services	Historically provided by the Hospital.	None.
Physician Assistant Surgical Services	Historically provided by the Hospital.	None.

**c. Explain in detail the rationale for this termination of services, and the process undertaken in making the decision to terminate.**

As indicated above, no services in the Hospital community were terminated or changed as a result of the billing entity change from the Hospital to ASSECT. All of the same services, professionals, patient base, clinical availability, locations and hours remained the same when the transfer occurred. Only the billing entity changed.

ASSECT was formed in January 2008 and the Transferred Professional Services started being billed by ASSECT on April 1, 2008. The decision to change the billing

entity was done in line with other Connecticut hospitals and common trends in the Connecticut hospital community. ASSECT applied for and received tax-exempt status. See Exhibit B. Charity care continued to be available through the Charity Care Policy adopted by ASSECT at its formation. See Exhibit C.

- d. Did the proposed termination require the vote of the Board of Directors? If so, provide copy of the minutes (excerpted for other unrelated material) for the meeting(s) the proposed termination was discussed and voted.**

As ASSECT is a wholly-owned, tax-exempt entity under the Hospital, decisions relating the formation of ASSECT were made by senior management. The Hospital Board of Directors did vote to approve the interim Board of Directors of ASSECT in its May 22, 2006 minutes. See Exhibit D (redacted).

- e. Explain why there is a clear public need for the proposal. Provide evidence that demonstrates this need.**

The proposal does not affect public need as there is no change to the services, professionals, patient base, or locations and hours of service. No services were expanded or decreased as a result of the transition of the billing of Transferred Professional Services professional components to ASSECT. ASSECT continued to provide services to the same patient population and accepted all the same payors. ASSECT continued to offer charity care pursuant to its charity care policy. See 1(c) above.

## **2. Termination's Impact on Patients and Provider Community**

- a. List all existing providers (name, address, services provided, hours and days of operation, and current utilization) of the services proposed for termination in the towns service area and nearby towns.**

Various private practitioners in the area may have offered some of the same professional services in the area in 2008. Utilization data is not available to the public.

Backus Hospital also offers a variety of services in the same service area as the Hospital (Norwich). Upon information and belief, Backus specifically offers behavioral health, neonatology, diabetes, infectious disease and OB/GYN services. See generally, Backus Hospital website.

- b. Discuss what steps have been undertaken to ensure continued access to the services proposed for termination by the current patients.**

The Hospital and ASSECT made no changes to the services, professionals, patient base, locations and hours to ensure continued access to the Transferred Professional Services. The only change was to the billing entity for the professional component of the Transferred Professional Services. The Hospital and ASSECT both offered services to any individual regardless of ability to pay pursuant to its Charity Care Policy as stated

above in 1(c) and attached hereto as Exhibit C. The Hospital and ASSECT both accepted the same payors.

- c. For each provider the current patients will be transferred or refer to, provide the current available capacity, as well as the total capacity and actual utilization for the current year and the most recent completed fiscal year ("FY").**

No capacity analysis was performed because there was no change to the services, professionals, patient base, locations and hours. All the same services were available at the same locations by the same providers. There was no capacity data assembled as all providers of the Transferred Professional Services would continue to provide the same Transferred Professional Services to the same patients.

- d. Identify any special populations that utilize the services and explain how these clients will continue to access this service after the service location closes.**

Access to services was not changed as a result of changing the billing entity from the Hospital to ASSECT. The location, providers, hours and contact information remained substantially the same. Payment policies and the availability of charity care did not change.

- e. Provide evidence (e.g. written agreements or memorandum of understanding) that other providers in the area are willing and able to absorb the displaced patients.**

No patient absorption was necessary. All ASSECT providers of the Transferred Professional Services continued to provide the Transferred Professional Services to the patients without disruption. ASSECT is a wholly owned entity of the Hospital. All aspects of the scope of the care provided for ASSECT services were consistent with what the Hospital had been historically providing.

- f. Describe how patients will be notified about the termination and transferred to other providers.**

Since the transfer of professional services occurred over six (6) years ago, the Applicant cannot locate patient letters. Most important, no changes to the services, professionals, patient base, locations or hours were made. Patients may have noticed the change of the legal entity when billing was received.

No transfer to other providers was necessary as the providers did not change.

**3. Actual and Projected Volume**

**a. Provide volumes for the most recently completed FY by town.**

No volume data was collected by town because there was no change to the services, professionals, patient base, locations and hours. The Transferred Professional Services continued to be available at the same locations to the same patient population. No locations were changed as a result of the transfer of Transferred Professional Services.

**b. Complete the following table for the past three fiscal years (“FY”) and current fiscal year (“CFY”), by type of service.**

**Table 1: Historical and Current Utilization**

	Actual Volume (Last 3 Completed FYs) <sup>2</sup>			CFY Volume*
	FY 2005	FY 2006	FY 2007	FY 2008 <sup>3</sup>
Service**				
Behavioral Medicine Visits	15,880	16,378	16,651	28,504
Diabetes Visits	15,765	17,350	27,684	30,689
OB Clinic Visits	5,267	4,729	5,126	4,894
Neonatology Discharges	179	193	214	172
Infectious Disease Visits	5,794	5,832	7,140	10,325
PA Surgical Procedures	4,091	4,208	3,744	5,174

\* For periods greater than 6 months, report annualized volume, identifying the number of actual months covered and the method of annualizing. For periods less than six months, report actual volume and identify the period covered.

\*\* Identify each service type and add lines as necessary. Provide both number of visits and number of admissions for each service listed.

\*\*\* Fill in years. In a footnote, identify the period covered by the Applicant’s FY (e.g. July 1-June 30, calendar year, etc.).

**c. Explain any increases and/or decreases in volume shown in the tables above.**

Certain increases in volume in 2007 and 2008 were due to the Hospital using a different third-party billing vendor during this time frame. It is believed that this third-party vendor calculated certain utilization figures in a different manner than the Hospital’s other billing vendors from other years. This resulted in increased figures during this timeframe. The Hospital has no other billing data available for this timeframe except that provided by this third-party vendor. Other increases or decreases were the result of normal fluctuation in Hospital patient volume.

<sup>2</sup> The fiscal year is from October 1 to September 30.

<sup>3</sup> Actual 2008 Fiscal year; includes seven (7) months of Hospital billed services and five (5) months of ASSECT billed services.

#### 4. Quality Measures

- a. **Submit a list of all key professional, administrative, clinical, and direct service personnel related to the proposal. Attach a copy of their Curriculum Vitae.**

Bruce Cummings, President and CEO  
Daniel Rissi, MD, Vice President/Chief Medical & Clinical Operations Officer

See Exhibit E for Curriculum Vitae.

- b. **Explain how the proposal contributes to the quality of health care delivery in the region.**

ASSECT maintained the same quality of health care services when the Transferred Professional Services were billed through the Hospital. The same quality professional services were continued through ASSECT. Moving to an affiliated physician practice provides a familiarity and comfort level to patients as patients did not have to change providers or go to new locations.

#### 5. Organizational and Financial Information

- a. **Identify the ownership type(s) (e.g. Corporation, PC, LLC, etc.).**

The Hospital is a tax exempt non-stock corporation. ASSECT is a tax exempt non-stock corporation.

- b. **Does the Applicant have non-profit status?**

**Yes (Provide documentation)**  **No**

The Hospital has non-profit tax exempt status. ASSECT has non-profit tax exempt status.

- c. **Financial Statements**

- i. **If the Applicant is a Connecticut hospital: Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the hospital has filed its most recently completed fiscal year audited financial statements, the hospital may reference that filing for this proposal.**

The Hospital filed its fiscal year 2007 audited financial statements with OHCA.

**ii. If the Applicant is not a Connecticut hospital (other health care facilities):  
Audited financial statements for the most recently completed fiscal year.  
If audited financial statements do not exist, in lieu of audited financial  
statements, provide other financial documentation (e.g. unaudited  
balance sheet, statement of operations, tax return, or other set of books.)**

**d. Submit a final version of all capital expenditures/costs.**

There are no capital expenditure costs.

**e. List all funding or financing sources for the proposal and the dollar amount of each. Provide applicable details such as interest rate; term; monthly payment; pledges and funds received to date; letter of interest or approval from a lending institution.**

No funding was necessary as there were no capital expenditure costs.

**f. Demonstrate how this proposal will affect the financial strength of the state's health care system or that the proposal is financially feasible.**

The move of Transferred Professional Services to ASSECT is financially feasible in that the formation of ASSECT as a tax exempt wholly owned entity of the Hospital resulted in the Hospital continuing its mission to provide quality care to the community regardless of payor and regardless of patient's ability to pay. The continued provision of quality services without disruption and with continued access to all patients, regardless of ability to pay, contributes to the financial strength of the state's health care system in that it provides a stable quality source of health care services in L+M's service area.

## **6. Financial Attachments I & II**

**a. Provide a summary of revenue, expense, and volume statistics, without the CON project, incremental to the CON project, and with the CON project. Complete Financial Attachment I. (Note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.) The projections must include the first three full fiscal years of the project.**

See Exhibit F. Note: actual data provided.

**b. Provide a three year projection of incremental revenue, expense, and volume statistics attributable to the proposal by payer. Complete Financial Attachment II. The projections must include the first three full fiscal years of the project.**

See Exhibit G. Note: actual data provided.

- c. **Provide the assumptions utilized in developing both Financial Attachments I and II (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).**

No assumptions used since actual data has been provided.

- d. **Please address the following regarding the payer mix for the service proposed for termination:**

- i. **Provide the payer mix for the most recently completed FY.**

The payor mix for fiscal year 2007 for each service is provided below.

Service	Medicare	Medicaid	Champus	HMO	Commercial	Blue Cross	Self Pay
Behavioral Medicine Visits	27.64%	23.91%	4.90%	19.33%	15.01%	6.23%	2.99%
Diabetes Visits	20.35%	35.14%	7.24%	10.39%	7.08%	10.64%	9.16%
OB Clinic Visits	0.80%	62.29%	0.02%	0.93%	0.61%	2.12%	33.24%
Neonatology Discharges	0.01%	37.00%	15.59%	13.83%	7.57%	23.21%	2.78%
Infectious Disease Visits	41.26%	16.94%	2.52%	12.11%	8.56%	15.48%	3.14%
PA Surgical Procedures	28.81%	12.23%	7.03%	16.07%	11.24%	22.59%	2.04%

- ii. **Provide evidence to demonstrate that this proposal will improve quality, accessibility and cost effectiveness of health care delivery in the region, including but not limited to:**

- (1) **provision of any change in the access to services for Medicaid recipients and indigent persons, and**

It is the Hospital and ASSECT's policy to accept any patient, regardless of ability to pay. Both the Hospital and ASSECT accepted and continue to accept Medicaid patients. Additionally, the Hospital and ASSECT both have charity care policies. Please see 1(c) and Exhibit C. As there was no change to location, services or hours of operation, all patients were able to access the same services resulting in no change to access of services for any patient, including Medicaid recipients and indigent persons.

- (2) **the impact upon the cost effectiveness of providing access to services provided under the Medicaid program.**

The move of the Transferred Professional Services from the Hospital to ASSECT was in line with many other hospitals in the state and allowed ASSECT to track and

capture certain Medicaid reimbursements of professional services that were previously not available to the Hospital. Certain previously unavailable revenue was able to be captured. Because ASSECT was now being reimbursed for professional services it provided, the change made it much more financially cost effective to provide services to Medicaid patients. L+M's mission to serve the community and all patients regardless of payor necessitates business strategies that permit it to capture revenue and track losses accurately and to the best of its ability. All services continued to be (and are to date) accessible and be provided to Medicaid patients.

- e. Provide the Applicant's past and proposed provision of health care services to relevant patient populations and payer mix, including, but not limited to, access to services by Medicaid recipients and indigent persons.**

The past provision of health care services includes persons needing the Transferred Professional Services in the Hospital Service area. The proposed provision of health care services was to the same patient population and payor mix.

Providing services to Medicaid and indigent persons has always been part of the L+M mission. Both the Hospital and ASSECT offered services to all persons regardless of their ability to pay. ASSECT continued this mission through its adoption of its charity care policy.

- f. If the Applicant has failed to provide or reduced access to services to Medicaid recipients or indigent persons, demonstrate how the Applicant has done this due to good cause or demonstrate that it was not solely on the basis of differences in reimbursement rates between Medicaid and other health care payers.**

Not applicable, neither the Hospital nor ASSECT has failed to provide or reduced access to services to Medicaid recipients or indigent persons.

- g. Was the Applicant being reimbursed by payers for these services? Did reimbursement levels enter into the determination to terminate?**

Yes, the Hospital was being reimbursed for the Transferred Professional Services prior to April 1, 2008. ASSECT was reimbursed for the Transferred Professional Services after April 1, 2008. The transfer of professional services from ASSECT to the Hospital did result in the reconciling of certain global billing complications at the Hospital level. ASSECT was able to capture certain professional fees that were not previously available to the Hospital. There was no effect on Medicaid patients.

- h. Provide documentation or the basis to support the proposed rates for each of the FYs as reported in Financial Attachment II. Provide a copy of the rate schedule for the proposed service(s).**

No proposed rates included as actual financial data was provided.

- i. Provide the minimum number of units required to show an incremental gain from operations for each fiscal year.**

No minimum number of units included as actual financial data was provided.

- j. Explain any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.**

No projected losses as actual financial data was provided.

- k. Describe how this proposal is cost effective.**

The proposal is cost effective because it allows the Hospital and ASSECT to capture lost revenue streams and address decreasing provider reimbursement rates while continuing to provide coordinated and integrated care in the L+M service area.

**Exhibit A**  
**Question 1(a)**  
**2008 Filings**



March 30, 2009

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

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

Dear Ms. Vogel:

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

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

- The reconciliation A on Report 500/550/600 is comprised of the following:

\$ 11,197,885	Gross L&M Employee Revenue
- 4,384,745	L&M Employee Allowances
+ 1,332,607	Charity Care that does not meet OHCA's Definition
-----	
\$ 8,145,747	Other Adjustments to OHCA Defined Net Revenue

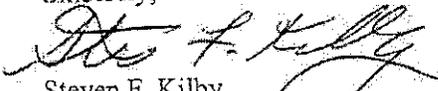
Attached are the following supporting or requested documents:

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

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

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

Sincerely,

  
Steven F. Kilby  
Manager of Budget & Reimbursement

Cc: Tillman Foster (Cover Only)



AFFIDAVIT

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

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

Of Lawrence & Memorial Hospital \_\_\_\_\_  
Hospital

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

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

Lugene A. Inzana 3/30/09  
Signature Date

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

Margaret X. Inkus  
Notary Public

My commission expires: Nov. 30, 2010  
Date

STATE OF CONNECTICUT

Department of Public Health

License No. 0047

General Hospital

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

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

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

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

28 Bassinets

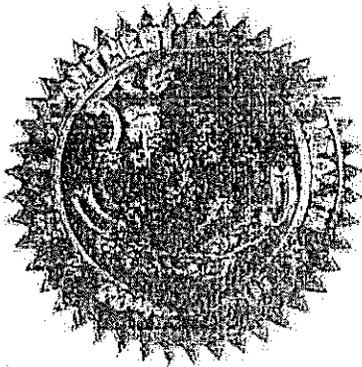
280 General Hospital beds

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

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

Satellites:

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



*J. Robert Galvin MD, MPH, MBA*

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

00016

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

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

Attachment 101-1000000

Form **8868**  
(Rev. April 2008)

# Application for Extension of Time To File an Exempt Organization Return

DIME No. 1545-1709

Department of the Treasury  
Internal Revenue Service

File a separate application for each return.

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension — check this box and complete Part I only.

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

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

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

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

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

The books are in the care of Mr. Lugene Inzana

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

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

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

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

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

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

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

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

Form 8868 (Rev. 4-2008)

LAWRENCE & MEMORIAL HOSPITAL

06-0545704

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

Filing Address Smart Worksheet

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

Form 8868

(Rev. April 2008)

Application for Extension of Time To File an Exempt Organization Return

OMB No. 1545-1709

Department of the Treasury Internal Revenue Service

File a separate application for each return.

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

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

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

A corporation required to file Form 990-T and requesting an automatic 6-month extension - check this box and complete Part I only.

All other corporations (including 1120-C filers), partnerships, REMICS, and trusts must use Form 7004 to request an extension of time to file income tax returns.

Electronic Filing (e-file). Generally, you can electronically file Form 8868 if you want a 3-month automatic extension of time to file one of the returns noted below...

Name of Exempt Organization: LAWRENCE & MEMORIAL CORPORATION
Employer identification number: 22-2553028
Address: 365 MONTAUK AVENUE, NEW LONDON, CT 06320

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

- Form 990 (checked)
Form 990-BL
Form 990-EZ
Form 990-PF
Form 990-T (corporation)
Form 990-T (section 401(a) or 408(a) trust)
Form 990-T (trust other than above)
Form 1041-A
Form 4720
Form 5227
Form 6069
Form 8870

The books are in the care of Mr. Lou Inzana

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

- If the organization does not have an office or place of business in the United States, check this box.
If this is for a Group Return, enter the organization's four digit Group Exemption Number (GEN) N/A.

I request an automatic 3-month (6 months for a corporation required to file Form 990-T) extension of time until May 15, 2009, to file the exempt organization return for the organization named above.

The extension is for the organization's return for:
calendar year 20 or
tax year beginning Oct 1, 2007, and ending Sep 30, 2008 (checked)

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

Table with 3 rows: 3a tentative tax, 3b refundable credits, 3c Balance Due. All values are 0.

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

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

Form 8868 (Rev. 4-2008)

LAWRENCE & MEMORIAL CORPORATION

22-2553028

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

Filing Address Smart Worksheet

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

00021



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**Delivered**

Initiated   
 Picked up   
 In transit   
 Delivered

**Delivered**  
Signed for by: C.ROBERTS

Shipment Dates: Ship date Mar 30, 2009   
 Delivery date Mar 31, 2009 9:47 AM   
 Destination: Mailroom 01 7500  
 Signature Proof of Delivery

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Service type	Priority Envelope	Delivered to Reference	Mailroom 01 7500
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Select time zone:    
 Select time format: 12H | 24H

All shipment travel activity is displayed in local time for the location

Date/Time	Activity	Location	Details
Mar 31, 2009 9:47 AM	Delivered		
Mar 31, 2009 8:01 AM	On FedEx vehicle for delivery	WINDSOR LOCKS, CT	
Mar 31, 2009 7:31 AM	At local FedEx facility	WINDSOR LOCKS, CT	
Mar 30, 2009 8:44 PM	At dest sort facility	EAST GRANBY, CT	
Mar 30, 2009 7:34 PM	Left FedEx origin facility	NORWICH, CT	
Mar 30, 2009 4:49 PM	Picked up	NORWICH, CT	

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FedEx Tracking Number

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1 From **23012009** Sender's FedEx Account Number **1044-3046-5**

Sender's Name **Mr. Steve Kilby** Phone **(860) 442-0711** Ext. **3871**

Company **LAWRENCE & MEMORIAL HQSP**  
Address **365 MONTAUK AVE**

City **NEW LONDON** State **CT** ZIP **06320**

2 Your Internal Billing Reference **011500**

3 To Recipient's Name **Mrs. Christine Vogel** Phone **1**  
Company **Commissioner office of health care access**  
**State of Connecticut**

Recipient's Address **410 Capital Ave MS# 13 HCA**

Address **P.O. Box 340308**

City **Hartford** State **CT** ZIP **06131-0308**

0396981035



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 FedEx 3Day Freight

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 FedEx 2Day  
 FedEx 3Day Freight  
 FedEx 3Day Freight

5 Packaging  
 FedEx Envelope\*  
 FedEx Pak\*  
 FedEx Tube  
 FedEx Box  
 Other

6 Special Handling  
 Saturday Delivery  
 Hold Saturday at FedEx Location  
 Signature Required  
 Signature Required - Adult Signature  
 Signature Required - Restricted Signature  
 Signature Required - Restricted Signature (Signature Required)

7 Payment Bill to:  
 Sender  
 Recipient  
 Third Party  
 Credit Card  
 Cash/Check

Total Packages Total Weight Total Declared Value \$ .00

8 Residential Delivery Signature Options  
 No Signature Required  
 Direct Signature  
 Indirect Signature

Signature Required  
Signature Required - Adult Signature  
Signature Required - Restricted Signature  
Signature Required - Restricted Signature (Signature Required)

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

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
I.A.8	Prepaid expenses <b>Explanation:</b> <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007</i>	1,400,100	1,906,505	506,405	36%
I.B.1	Held by Trustee <b>Explanation:</b> <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in Progress <b>Explanation:</b> <i>The increase for FY 2008 projects is due to the installation of several projects in process to be completed in FY 2009.</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses <b>Explanation:</b> <i>Vouchers payable increased 4,650,000 from prior year &amp; Accrued W/C increased by \$700,000</i>	21,653,021	27,415,287	5,762,266	27%
II.A.3	Due to Third Party Payers <b>Explanation:</b> <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,675,713	7,993,616	3,317,902	71%
II.A.4	Due to Affiliates <b>Explanation:</b> <i>Pending intercompany settlements</i>	879,039	573,153	(305,886)	-35%
II.B.3	Accrued Pension Liability <b>Explanation:</b> <i>Accrued Pension per Actuarial Report adjustment at year end</i>	16,597,984	20,629,212	4,031,228	24%

00024

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

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
A.3	Charity Care <b>Explanation:</b> <i>With more patients qualifying for Charity Care, the amount granted, increased</i>	3,341,408	4,316,427	975,019	29%
A.5	Other Operating Revenue <b>Explanation:</b> <i>Other Operating Revenue increased due to additional rental income from affiliates, purchased outside services from affiliates, and fringe benefits.</i>	8,687,106	11,202,386	2,515,280	29%
A.6	Net Assets Released from Restriction <b>Explanation:</b> <i>Lombs (Lawrence &amp; Memorial Benefactors Society) donated \$100,000 towards the purchase of equipment for digital mammography.</i>	320,734	422,147	101,413	32%
B.3	Physicians Fees <b>Explanation:</b> <i>Decreased operating hours of the OB Clinic. Hospitalists group took over weekend and house coverage. Physicians moved to Associated Specialists.</i>	1,247,076	980,092	(266,984)	-21%
B.6	Bad Debts <b>Explanation:</b> <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	13,840,182	16,989,650	3,149,468	23%
B.8	Malpractice <b>Explanation:</b> <i>Malpractice expense is adjusted to actuarial report at year end</i>	7,601,097	3,355,337	(4,245,760)	-56%
C.1	Income from Investments <b>Explanation:</b> <i>Stock market has decreased significantly and our investments are not earning as much income as prior years.</i>	5,832,708	1,675,251	(4,157,457)	-71%

00025

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

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.2	Inpatient Gross Revenue - Medicare Managed Care <b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,265,015	5,077,006	2,811,991	124%
I.A.3	Inpatient Gross Revenue - Medicaid <b>Explanation:</b> <i>Medicaid discharges increased by 63% and patient days by 35%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	9,618,451	13,980,527	4,362,176	45%
I.B.2	Outpatient Gross Revenue - Medicare Managed Care <b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	2,018,067	4,712,345	2,694,278	134%
I.B.3	Outpatient Gross Revenue - Medicaid <b>Explanation:</b> <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	7,538,803	10,127,088	2,588,285	34%
I.C.2	Total Gross Revenue - Medicare Managed Care <b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	4,283,082	9,789,351	5,506,269	129%
I.C.3	Total Gross Revenue - Medicaid <b>Explanation:</b> <i>Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	17,157,254	24,107,715	6,950,461	41%
II.A.2	Inpatient Net Revenue - Medicare Managed Care <b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	1,142,703	2,303,834	1,161,131	102%
II.A.3	Inpatient Net Revenue - Medicaid <b>Explanation:</b> <i>Medicaid discharges increased by 63% and patient days by 35%. This increase along with increases in payments caused Net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	3,159,678	6,769,202	3,609,524	114%
II.A.6	Inpatient Net Revenue - Commercial Insurance <b>Explanation:</b> <i>Commercial Discharges decreased by 27% from 2007 and Patient Days were down 6% from the previous year. The Volume decreases equate to less payments</i>	8,768,468	6,315,941	(2,452,527)	-28%
II.B.2	Outpatient Net Revenue - Medicare Managed Care <b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.</i>	675,245	1,511,249	836,004	124%
II.B.3	Outpatient Net Revenue - Medicaid <b>Explanation:</b> <i>Medicaid outpatients visits increased by 22%. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.</i>	2,267,273	2,882,154	594,881	26%
II.C.2	Total Net Revenue - Medicare Managed Care <b>Explanation:</b>	1,817,948	3,814,083	1,996,135	110%

00026

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

II.C.3	Total Net Revenue - Medicaid <b>Explanation:</b> Overall Medicaid volume increased in FY 2008 over FY 2007. This increase along with increases in prices and the mix of procedures utilized by patients caused net revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	5,448,951	9,651,356	4,204,405	77%
III.A.2	Discharges - Medicare Managed Care <b>Explanation:</b> Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	148	264	116	78%
III.A.3	Discharges - Medicaid <b>Explanation:</b> One factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans and a larger number of state residents qualifying for Medicaid benefits	647	1,052	405	63%
III.A.6	Discharges - Commercial Insurance <b>Explanation:</b> Commercial Discharges decreased by 27% from 2007. Fewer patients needing Hospital services.	966	703	(262)	-27%
III.B.6	Patient Days - Medicare Managed Care <b>Explanation:</b> Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	773	1,529	756	98%
III.B.8	Patient Days - Worker's Compensation <b>Explanation:</b> There were fewer Worker Comp Cases requiring Inpatient treatment and those that did did not have as long a length of stay	372	279	(93)	-25%
III.B.9	Patient Days - Self Pay / Uninsured <b>Explanation:</b> Fewer Self Pay Patients and the ones that were here used fewer patient days	1,196	914	(282)	-24%
III.B.11	Patient Days - Other <b>Explanation:</b> Fewer Other Patients presented for care and the ones that were here used fewer patient days	242	191	(51)	-21%
III.C.2	Outpatient Visits - Medicare Managed Care <b>Explanation:</b> Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	3,649	8,292	4,443	115%
III.C.3	Outpatient Visits - Medicaid <b>Explanation:</b> Medicaid outpatients visits increased by 22%. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	12,856	15,721	2,865	22%
IV.A.2	ER Dpt. Outpatient Gross Revenue - Medicare Managed Care <b>Explanation:</b> Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	219,151	492,061	272,910	125%
IV.A.3	ER Dpt. Outpatient Gross Revenue - Medicaid <b>Explanation:</b> Medicaid ER visits increased by 50%. This increase along with increases in prices and the mix of procedures utilized by patients caused revenue to increase. Another factor increasing traditional Medicaid volumes was the closing of a couple of State Medicaid HMO plans.	2,193,355	3,649,901	1,456,546	68%
IV.B.2	ER Dpt. Outpatient Net Revenue - Medicare Managed Care <b>Explanation:</b> Medicare HMOs were promoted as an alternative to Traditional Medicare and more eligible beneficiaries chose this option. This increase in enrollees caused an increase in volumes, revenue and payments.	73,377	152,543	79,166	108%
IV.B.3	ER Dpt. Outpatient Net Revenue - Medicaid <b>Explanation:</b>	858,342	876,123	317,781	57%

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

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

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

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

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

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LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 200 VARIANCE ANALYSIS

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

**Explanation:**

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

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

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

I.D.6	HEALTHNET OF CONNECTICUT Patient Days	677	1,263	576	85%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.7	HEALTHNET OF CONNECTICUT Outpatient Visits (Excludes ED Visits)	2,861	5,917	3,056	107%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.8	HEALTHNET OF CONNECTICUT Emergency Department Outpatient Visits	188	337	149	79%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.D.9	HEALTHNET OF CONNECTICUT Emergency Department inpatient Admissions	78	127	49	63%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.3	OTHER MEDICARE MANAGED CARE Outpatient Charges	85,600	-	(85,600)	-100%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.4	OTHER MEDICARE MANAGED CARE Outpatient Payments	21,750	-	(21,750)	-100%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				
I.E.7	OTHER MEDICARE MANAGED CARE Outpatient Visits (Excludes ED Visits)	61	-	(61)	-100%
	<b>Explanation:</b> <i>Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.</i>				

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I.F.8	OTHER MEDICARE MANAGED CARE Emergency Department Outpatient Visits	9	=	(9)	-100%
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**Explanation:**  
*Medicare HMOs were promoted as an alternative to Traditional Medicare. This increase in enrollees caused an increase in volumes, revenue and payments.*

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LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 250 VARIANCE ANALYSIS

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

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

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

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

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

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

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

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

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LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 300 VARIANCE ANALYSIS

(1) LINE	(2) DESCRIPTION	(3) FY 2007 AMOUNT	(4) FY 2008 AMOUNT	(5) AMOUNT DIFFERENCE	(6) % DIFFERENCE
I.A.8	Prepaid Expenses <b>Explanation:</b> <i>Several Vendors were prepaid in FY 2008 that were not prepaid in FY 2007</i>	1,559,212	2,026,185	466,973	30%
I.B.1	Held by Trustee <b>Explanation:</b> <i>Specific Trust Fund increased by \$2.7 million from prior year</i>	10,618,087	12,999,368	2,381,281	22%
I.C.3	Construction in progress <b>Explanation:</b> <i>The increase for FY 2008, project is due to the installation of a second CT Scan machine, simulator replacement and several ongoing Information Services projects.</i>	4,630,216	7,377,180	2,746,964	59%
II.A.1	Accounts Payable and Accrued Expenses <b>Explanation:</b> <i>Vouchers payable increased 4,850,000 from prior year. &amp; Accrued W/C increased by \$700,000</i>	22,924,414	29,533,933	6,609,519	29%
II.A.3	Due To Third-Party Payers <b>Explanation:</b> <i>Anticipated Liabilities due to Medicare RAC audits and cost report settlements</i>	4,809,010	8,126,913	3,317,903	69%
II.A.4	Due to Affiliates <b>Explanation:</b> <i>Intercompany analysis was not forgiven/settled until FY 2009 which caused last Q in 2008 to be a little higher than average</i>	194,629	422,911	228,282	117%
II.A.7	Other Current Liabilities <b>Explanation:</b> <i>Change in deferred revenue</i>	531,513	398,376	(133,137)	-25%
II.B.3	Accrued Pension Liability <b>Explanation:</b> <i>Accrued Pension per Actuarial Report adjustment at year end</i>	16,600,505	20,631,280	4,030,775	24%
II.C.2	Temporarily Restricted Net Assets <b>Explanation:</b> <i>Change in reserves. Also, endowment income decreased significantly due to stock and bond market changes.</i>	10,133,953	7,811,297	(2,322,656)	-23%

00040

LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 350 VARIANCE ANALYSIS

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

LAWRENCE AND MEMORIAL HOSPITAL  
OCHA FILING FY 2008  
REPORT 400 VARIANCE ANALYSIS

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

00042

LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 450 VARIANCE ANALYSIS

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

LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 500 VARIANCE ANALYSIS

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

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**Explanation:**

An increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.

I.D.9	Medicare Inpatient - Medicaid IP PMT/CMAD	2,394	1,294	(1,100)	-46%
	<b>Explanation:</b> The Medicare Payment per Discharge increased slightly (apprx. \$100) but the Medicaid Per Discharge amount apprx. \$1,200				
I.D.10	Medicaid Inpatient - Inpatient Upper Limit (Over) / Underpayment	3,524,178	2,323,536	(1,200,642)	-34%
	<b>Explanation:</b> Many Factors that do not pertain directly to Mediced Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology				
I.D.12	Medicaid Inpatient - Inpatient Accrued Payment / Patient Day	784	1,077	293	37%
	<b>Explanation:</b> A Combination of a apprx \$1,200 per discharge payment increase and a slight decrease in Length of stay, increases the payments per day				
I.D.21	Medicare Outpatient - Medicaid OP PMT / OPED	2,712	1,503	(1,209)	-45%
	<b>Explanation:</b> Changes in the Hospital pricing structure influenced both Medicare Gross IP & OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP & OP charegs, payments all effect this calculation				
I.D.24	Medicaid Totals - Total Accrued Payments	14,473,288	19,140,556	4,667,268	32%
	<b>Explanation:</b> Additional volume on both the IP & OP areas, mixture of procedures utilized and changes in payment rate are causes of the increase of payments				
I.D.26	Medicaid Totals - Total Upper Limit (Over) / Underpayment	9,174,156	5,863,257	(3,290,899)	-36%
	<b>Explanation:</b> Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient & Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation				
I.E.21	Other Medical Assistance Outpatient - Medicare - OMA OP PMT/CMAD	3,533	2,464	(1,069)	-30%
	<b>Explanation:</b> Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%				
I.E.22	Other Medical Assistance Outpatient - Outpatient Upper Limit (Over) / Underpayment	1,471,175	1,027,123	(444,052)	-30%
	<b>Explanation:</b> Decrease in IP Volume, Changes in Medicare Payments and other factors are causing the OMA OP PMT/CMAD to decrease by -30%				
I.F.2	Total Medical Assistance - Inpatient Accrued Payments (IP PMT)	7,958,345	11,405,765	3,447,420	43%
	<b>Explanation:</b> Increases in Medicaid payment rates and increased volume are causing IP payments to increase				
I.F.3	Total Medical Assistance - Inpatient Payments / Inpatient Charges	28.64%	35.80%	7.16%	25%
	<b>Explanation:</b> Increases in Medicaid payment rates increased more than charges causing the IP payment percent to increase				
I.F.7	Total Medical Assistance - Inpatient Accrued Payment / CMAD	4,197	5,164	967	23%
	<b>Explanation:</b> An Increase in the payment per discharge and changes in case mix caused payments per CMAD to increase.				
I.F.9	Total Medical Assistance - Medicare Total Medical Assistance IP PMT/CMAD	2,678	1,809	(869)	-32%
	<b>Explanation:</b> Changes in the Hospital pricing structure influenced both Medicare Gross IP payments, changes in procedures utilized in calculating Medicare Payments changes in case mix, and TMA IP payments all effect this calculation				
I.F.10	Total Medical Assistance - Inpatient Upper Limit (Over) / Underpayment	5,077,045	3,995,095	(1,081,950)	-21%
	<b>Explanation:</b>				

00045

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

I.F.12	Total Medical Assistance - Inpatient Accrued Payment / Patient Day <b>Explanation:</b> <i>An increase in payments per discharge caused this variation</i>	741	995	254	34%
I.F.21	Total Medical Assistance - Medicare - Total Medical Assistance OP PMT/OPED <b>Explanation:</b> <i>Changes in the Hospital pricing structure influenced both Medicare Gross IP &amp; OP Revenue, changes in procedures utilized in calculating Medicare Payments, and Medicaid IP &amp; OP charges, payments all effect this calculation</i>	2,849	1,847	(1,202)	-42%
I.F.22	Total Medical Assistance - Outpatient Upper Limit (Over) / Underpayment <b>Explanation:</b> <i>Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient &amp; Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	7,121,153	4,586,844	(2,534,309)	-36%
I.F.24	Total Medical Assistance Totals - Total Accrued Payments <b>Explanation:</b> <i>Increased volume, and payment rates caused this Increase</i>	17,069,603	21,527,882	4,458,279	26%
I.H.1	Other Data - Other Operating Revenue <b>Explanation:</b> <i>Other Operating Revenue increased due to additional rental income from affiliates, purchased outside services from affiliates, and fringe benefits.</i>	8,687,106	11,202,386	2,515,280	29%
I.H.4	Cost of Uncompensated Care - Charity Care (Charges) <b>Explanation:</b> <i>More patients qualified for Charity Care</i>	2,064,407	2,983,821	919,414	45%
I.H.5	Cost of Uncompensated Care - Bad Debts (Charges) <b>Explanation:</b> <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
I.H.6	Cost of Uncompensated Care - Uncompensated Care (Charges) <b>Explanation:</b> <i>See Cost of Uncompensated Care Charity &amp; Bad Debts above</i>	15,904,589	19,973,471	4,068,882	26%
I.H.9	Total Medical Assistance Underpayment - Total Accrued Payments <b>Explanation:</b> <i>Many Factors that do not pertain directly to Total Medical Assistance Payments effect this calculation. Medicare Inpatient &amp; Outpatient Charges, Medicare Discharges, Total Medical Assistance IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation</i>	17,069,603	21,527,882	4,458,279	26%
IV.1	Calculated Underpayment - Medicaid <b>Explanation:</b> <i>Many Factors that do not pertain directly to Medicaid Payments effect this calculation. Medicare Inpatient &amp; Outpatient Charges, Medicare Discharges, Medicaid IP Charges and Discharges. The changes in prices of a procedure, payments and mix of procedures utilized all effect this calculation. An additional factor is the OPED increased under this calculation methodology</i>	5,649,979	3,659,721	(2,090,258)	-37%

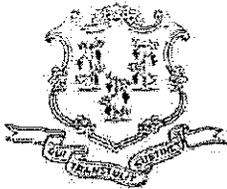
LAWRENCE AND MEMORIAL HOSPITAL  
 OCHA FILING FY 2008  
 REPORT 650 VARIANCE ANALYSIS

(1) <u>LINE</u>	(2) <u>DESCRIPTION</u>	(3) <u>FY 2007 AMOUNT</u>	(4) <u>FY 2008 AMOUNT</u>	(5) <u>AMOUNT DIFFERENCE</u>	(6) <u>% DIFFERENCE</u>
<u>LINE</u>	<u>DESCRIPTION</u>				
A.2	Number of Approved Applicants <b>Explanation:</b> <i>More patients qualified in FY 2008 also more applied</i>	1,249	1,764	515	41%
A.3	Total Charges <b>Explanation:</b> <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	2,064,407	2,983,821	919,414	45%
A.6	Total Cost <b>Explanation:</b> <i>With more patients applying, qualifying and the RCC increasing the cost of Charity Care increased</i>	1,049,545	1,636,357	586,812	56%
A.8	Charity Care - Inpatient Charges <b>Explanation:</b> <i>Charity increased overall and more IP patients qualified this year</i>	\$498,368	\$657,478	\$159,110	32%
A.9	Charity Care - Outpatient Charges (Excludes ED Charges) <b>Explanation:</b> <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	995,670	1,696,898	701,228	70%
A.15	Charity Care - Number of Outpatient Visits (Excludes ED Visits) <b>Explanation:</b> <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	1,679	2,561	882	53%
B.2	Bad Debts - Outpatient Services (Excludes ED Bad Debts) <b>Explanation:</b> <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$3,162,621 creating a \$1,325,560 difference or a 42% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	6,689,884	4,488,181	(2,201,703)	-33%
B.3	Bad Debts - Emergency Department <b>Explanation:</b> <i>Inadvertently the FY 2007 OP Bad Debt was transposed with the FY 2007 ER Bad Debt. The FY 2007 number should have been \$6,689,884 creating a \$1,307,761 difference or a 20% increase. Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience.</i>	3,162,621	7,997,645	4,835,024	153%
B.4	Total Bad Debts (A) <b>Explanation:</b> <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.1	Charity Care (A) <b>Explanation:</b> <i>With more patients applying, qualifying and increase in charges more Charity Care was granted</i>	\$2,064,407	\$2,983,821	\$919,414	45%
C.2	Bad Debts (A) <b>Explanation:</b> <i>Bad Debt Expense is a calculated percent of Gross and Net revenue. As Gross Revenue increases the Expense also increases. The percent is based on experience</i>	13,840,182	16,989,650	3,149,468	23%
C.3	Total Uncompensated Care (A) <b>Explanation:</b> <i>See Cost of Uncompensated Care Charity &amp; Bad Debts above C.1 &amp; C.2</i>	15,904,589	19,973,471	4,068,882	26%

00047

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

00048



STATE OF CONNECTICUT  
OFFICE OF HEALTH CARE ACCESS

M. JODI RELL  
GOVERNOR

CRISTINE A. VOGEL  
COMMISSIONER

June 17, 2009

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

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

Dear Mr. Cummings:

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

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

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

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

Sincerely,

Cristine A. Vogel  
Commissioner

CAV: md

Enclosure

cc: Lugene Inzana, Vice President & Chief Financial Officer

AFFIDAVIT

CERTIFICATION TO THE STATE OF CONNECTICUT  
OFFICE OF HEALTH CARE ACCESS

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

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

Lawrence & Memorial Hospital  
(Print Hospital Name)

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

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

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

Bruce D. Cummings  
(Signature)

6/27/09  
(Date)

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

Jacqueline E. Cooper  
Notary Public / Commissioner of Superior Court  
**JACQUELINE E. COOPER**  
NOTARY PUBLIC  
MY COMMISSION EXPIRES JUNE 30, 2013  
My commission expires: 6/30/13  
(Date)

00050

**Exhibit B**  
**Question 1(c)**  
**Tax-Exempt Status**

INTERNAL REVENUE SERVICE  
P. O. BOX 2508  
CINCINNATI, OH 45201

DEPARTMENT OF THE TREASURY

Date: SEP 23 2007

ASSOCIATED SPECIALISTS OF  
SOUTHEASTERN CONNECTICUT INC  
C/O LAWRENCE & MEMORIAL HOSPITAL  
365 MONTAUK AVE  
NEW LONDON, CT 06320

Employer Identification Number:  
20-8006123  
DLN:  
17053019027047  
Contact Person:  
DONNA ELLIOT-MOORE ID# 50304  
Contact Telephone Number:  
(877) 829-5500

Accounting Period Ending:  
September 30  
Public Charity Status:  
509(a)(3)  
Form 990 Required:  
Yes  
Effective Date of Exemption:  
May 4, 2006  
Contribution Deductibility:  
Yes  
Addendum Applies:  
No

Dear Applicant:

We are pleased to inform you that upon review of your application for tax exempt status we have determined that you are exempt from Federal income tax under section 501(c)(3) of the Internal Revenue Code. Contributions to you are deductible under section 170 of the Code. You are also qualified to receive tax deductible bequests, devises, transfers or gifts under section 2055, 2106 or 2522 of the Code. Because this letter could help resolve any questions regarding your exempt status, you should keep it in your permanent records.

Organizations exempt under section 501(c)(3) of the Code are further classified as either public charities or private foundations. We determined that you are a public charity under the Code section(s) listed in the heading of this letter.

Please see enclosed Publication 4221-PC, Compliance Guide for 501(c)(3) Public Charities, for some helpful information about your responsibilities as an exempt organization.

We have determined that you are a Type 1 supporting organization under section 509(a)(3). A Type 1 is operated, supervised, or controlled by, a Type 2 is supervised or controlled in connection with, and a Type 3 is operated in connection with one or more publicly supported organizations.

Letter 947 (DO/CG)

00052

ASSOCIATED SPECIALISTS OF

We have sent a copy of this letter to your representative as indicated in your power of attorney.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert Choi".

Robert Choi  
Director, Exempt Organizations  
Rulings and Agreements

Enclosures: Publication 4221-PC

Letter 947 (DO/CG)

00053

**Exhibit C**  
**Question 1(c)**  
**Charity Care Policy**

Associated Specialists of  
Southeastern Connecticut, Inc.

EIN 20-8006123

**SUBJECT: Charity/Free-Care Policy**

**POLICY:**

Associated Specialists of Southeastern Connecticut, Inc. (ASSCT) has established a policy whereby patients in its community, or their account guarantors, who have difficulty paying the entire balance of their account obligations, may be able to obtain financial assistance for medically necessary care. Such assistance would be in the form of an adjustment to their current account balance based upon family gross income and dependency criteria.

This program has been instituted in recognition of ASSCT's obligation to service its community. Financial assistance is extended to the level allowable under the outline of the ASSCT Charity Care/Free Care program, while continuing to insure ASSCT's financial integrity and viability.

ASSCT financial assistance is provided only after all third party insurers have either paid their share of, or denied coverage of services rendered, and appropriate State and/or Town applications have been initiated and denied. The Charity Care/Free Care program applies only to accounts related to medically necessary services and only to patients residing in ASSCT's community.

Program eligibility is predicated on the current criteria of the ASSCT Charity Care/Free Care program, which may be updated annually.

ASSCT will supply an application for Charity Care/Free Care as requested by the patients who are in need of financial assistance. The application will be approved or denied by the Business Office. If the account is approved, the patient will be deemed "uninsured" and an appropriate adjustment will be made to the account. The patient will be notified in writing of the adjustment made to the account and any remaining balance owed. A patient may reapply for this assistance again when funds become available.

**PROCEDURE:**

Individuals or family members will be considered for Charity/Free Care based on a financial interview and could be approved for a financial full adjustment based on the Federal Poverty Guidelines. The following steps must be completed to insure that due diligence was performed.

1. ASSCT will post in its offices notice of its Charity/Free Care policy.
2. Once the patient requests for Charity/Free Care, the medical office will immediately forward a copy of the Pre-Admission record to the Business Office for any patient/guarantor who has no insurance.

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Associated Specialists of  
Southeastern Connecticut, Inc.

EIN 20-8006123

2. The Business Office will immediately contact the patient/guarantor to schedule the financial interview that must be conducted prior to service for Elective and prior to discharge for Emergency Admissions/Procedures.

3. The Business Office will request the following documents for validation:

**a. Confirmation of annual income and assets**

i. Pay-stubs and/or last year's W2 form, social security award, unemployment compensation letter

ii. Most recent income tax return

iii. Most recent checking and savings account statement

**b. Confirmation of Social Security numbers and birth dates of each resident at the patient's/guarantor's address. Proof must be in the form of one of the following:**

i. Social Security card

ii. Birth Certificate

iii. Baptismal Certificate

iv. Military Discharge Papers

v. School Records

vi. Drivers Licenses

**c. Confirmation of residence in the form of the following:**

i. Mortgage book

ii. Current Rent Receipt

iii. Lease

iv. Tax Bill

v. Room and Board Statements

vi. Utility Bill

4. Patients who qualify for charity care will have no liability attached to their balances. The appropriate internal adjustment procedures will be implemented.

Associated Specialists of  
Southeastern Connecticut, Inc.

EIN 20-8006123

5. If the patient/guarantor does not have Medicaid but they appear to be eligible, it will be the responsibility of the Business Office to inform the patient/guarantor about the Medicaid application process.

6. The patient/guarantor will have until the fifteenth (15) day of the following month to present all necessary information the Business Office requested. During this time, all ASSCT bills will be suspended until a final decision is rendered. If Charity/Free Care is denied, the patient will be responsible for the charges that were incurred before, during and after the Charity/Free Care analysis period.

9. ASSCT reserves the right to verify any information the patient/guarantor presents.

10. The Business Office Manager and/or the Director of Financial Services must authorize any ASSCT Charity/Free Care allowance over \$2,000.

**EFFECTIVE DATE**

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**Exhibit D**  
**Question 1(d)**  
**Redacted Board Minutes**

MINUTES: Board of Directors, Lawrence & Memorial Hospital  
DATE: May 22, 2006  
PAGE: 1

A meeting of the Board of Directors of Lawrence & Memorial Hospital was held at 4:00PM on Monday, May 22, 2006 in the James C. McGuire Boardroom.

PRESENT: Mr. Bates, Dr. Allen, Dr. Bentz, Mr. Carroll, Mr. Castle, Mr. Cummings, Mr. Gipstein, Mr. Hammond, Mr. Hunter, Dr. Keltner, Mr. Kenyon, Mr. Kitchings, Mrs. Malerba, Mr. Morris, Mr. O'Shea, Dr. Sanfilippo and Mrs. Schwartz. GUEST: Cindy Stone. OTHERS PRESENT: Mrs. Bennett, Dr. Bier, Mrs. Bonardi, Mr. Bresette, Ms. Kalajainen and Mr. Stanley.

ABSENT: Dr. Maletz.

[REDACTED]

MINUTES: Board of Directors, Lawrence & Memorial Hospital  
DATE: May 22, 2006  
PAGE: 6

APPOINTMENT OF AN INTERIM BOARD TO ASSOCIATED SPECIALISTS OF  
SOUTHEASTERN CONNECTICUT

Mr. Cummings stated the Hospital has been looking at the possibility of setting up a foundation that would employ certain physicians and mid-level practitioners in a not-for-profit, tax exempt subsidiary of the Hospital. This would shift the employment of this group from the Hospital to the new entity for the purpose of capturing lost reimbursement. As part of the due diligence process, an interim Board needs to be established to file the appropriate legal documents. The recommendation from the Governance Development and Executive Committee is that the following would serve as interim Board members:

Alan Bier, MD  
Douglas Brandt, MD  
Elwin Bresette  
Louis Buckley, MD  
Bruce Cummings

At a later time the Board would be expanded.

A motion was made, seconded and unanimously voted to approve the members of the interim Board and further to give the interim Board the authority to complete legal requirements as needed.

[REDACTED]

**Exhibit E**  
**Question 4(a)**  
**Curriculum Vitae**

Bruce Cummings  
Daniel Rissi, MD

## Bruce D. Cummings

Mr. Cummings was named Chief Executive Officer at Lawrence & Memorial Hospital on October 31, 2005. Prior to that, he served as President and Chief Executive Officer of Olean General Hospital in Olean, New York. From September 1990 to March 2002, Mr. Cummings served as the CEO of Blue Hill Memorial Hospital in Maine. Mr. Cummings also spent 10 years at Mid-Maine Medical Center in Waterville, Maine as Director of Ambulatory Care; and from November 1985 to 1990 as Vice President for Strategic Planning, Marketing and Corporate Development. From 1978 to 1980, Mr. Cummings served as the City of Danbury's first full-time Director of Health.

Mr. Cummings received a Bachelor of Arts in Sociology from Colby College and a Master of Public Health degree from Yale University School of Medicine, Department of Epidemiology and Public Health. He is board-certified in healthcare management through the American College of Healthcare Executives, a member of the Board of Directors of the Connecticut Hospital Association, a director of the Visiting Nurse Association of Southeastern Connecticut, and a delegate to the American Hospital Association's Regional (New England) Policy Board.

## Daniel Rissi, MD

### Professional Experience

February 2008 to present; Lawrence & Memorial Hospital; Vice President/Chief Medical & Clinical Operations Officer  
June 2006 to February 2008; Lawrence and Memorial Hospital; Vice President and Chief Operating Officer  
October 2005 to January 2006; Olean General Hospital; Interim President and Chief Executive Officer  
January 2003 to June 2006; Olean General Hospital; Vice President for Medical Affairs  
March 2002 to August 2002: Blue Hill Memorial Hospital; Interim Chief Executive Officer  
1990 to 2002: Blue Hill Memorial Hospital; Medical Director (full time since 1998); Chief of Staff  
1996 to 2002: Maine Network for Health; Medical Director (1998-2002)

### Additional Professional Activities

2003-2006: Olean General Hospital, Olean, New York; active medical staff  
1980-2003: Blue Hill Memorial Hospital, Blue Hill, Maine; active medical staff  
1980-2003: Eastern Maine Medical Center, Bangor, Maine; affiliate medical staff  
1980-1994: Island Medical Center Doctors, Stonington, Maine; physician, managing partner

### Education and Training

American Board of Family Medicine; certified 1980, recertified 1986, 1992, 1998, 2004  
Certificate of added Qualification in Geriatrics, AAFP; certified 1988; recertified 1998  
Medical Review Officer; certified by AAMRO 2003  
Aviation Medical Examiner (FAA); certified 1981, recertified 1986, 1991  
State of Maine Medical Examiner; certified 1977  
1977-1980 Eastern Maine Medical Center; Residency in Family Medicine  
1973-1977 Johns Hopkins University School of Medicine; MD  
1969-1973 Yale University; BA

### Professional Memberships

American College of Physician Executives; member since 1996  
American Academy of Family Physicians; member since 1980; Fellowship 1994  
American Geriatrics Society; member since 1989  
National Board of Medical Examiners; diplomate 1977  
American College of Healthcare Executives; member since 2006

**Exhibit F**  
**Question 6(a)**  
**Financial Attachment I**



**Exhibit G**  
**Question 6(b)**  
**Financial Attachment II**

29000

6b. Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:											
Type of Service Description	Asset										
Type of Unit Description:	Visits										
# of Months in Operation	12										
FY	2010	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental	Rate	Units	Gross Revenue	Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations	
Total Incremental Expenses:	\$16,583,563							Col. 4 - Col. 5 - Col. 6 - Col. 7	Col. 1 Total * Col. 4 / Col. 4 Total	Col. 8 - Col. 9	
Total Facility by Payer Category:											
Medicare	\$414	23,624	\$9,779,681		\$7,337,515			\$2,442,166	\$6,135,918	(\$3,693,752)	
Medicaid	\$414	8,428	\$3,488,967		\$2,749,542			\$739,425	\$2,189,030	(\$1,449,605)	
CHAMPUS/TriCare	\$414	3,256	\$1,348,010		\$1,024,768			\$323,242	\$845,762	(\$522,520)	
Total Governmental		35,308	\$14,616,659		\$11,111,826	\$0	\$0	\$3,504,833	\$9,170,710	(\$5,665,877)	
Commercial Insurers	\$414	27,008	\$11,180,554		\$7,080,063			\$4,100,491	\$7,014,847	(\$2,914,356)	
Uninsured	\$414	1,532	\$634,358				\$634,358	\$0	\$398,006	(\$398,006)	
Total NonGovernment	\$414	28,541	\$11,814,912		\$7,080,063	\$0	\$634,358	\$4,100,491	\$7,412,853	(\$3,312,362)	
Total All Payers	\$414	63,849	\$26,431,571		\$18,191,889	\$0	\$634,358	\$7,605,324	\$16,583,563	(\$8,978,239)	



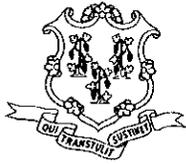
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6b. Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:											
Type of Service Description	Assect										
Type of Unit Description:	Visits										
# of Months in Operation	12										
FY	2009	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
FY Projected Incremental		Rate	Units	Gross Revenue	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Operating Expenses	Gain/(Loss) from Operations	
Total Incremental Expenses:				Col. 2 * Col. 3				Col. 4 - Col. 5	Col. 1 Total *	Col. 8 - Col. 9	
Total Facility by Payer Category:											
Medicare		\$366	16,310	\$5,966,215	\$4,747,747			\$1,218,468	\$4,772,841	(\$3,554,373)	
Medicaid		\$366	5,819	\$2,128,487	\$1,803,859			\$324,628	\$1,702,743	(\$1,378,115)	
CHAMPUS/Tricare		\$366	2,248	\$822,370	\$675,289			\$147,081	\$657,878	(\$510,797)	
<b>Total Governmental</b>			24,376	\$8,917,072	\$7,226,895	\$0	\$0	\$1,690,177	\$7,133,462	(\$5,443,285)	
Commercial Insurers		\$366	18,646	\$6,820,835	\$4,703,943			\$2,116,892	\$5,456,518	(\$3,339,626)	
Uninsured		\$366	1,058	\$386,998			\$386,998	\$0	\$309,590	(\$309,590)	
<b>Total NonGovernment</b>		\$366	19,704	\$7,207,832	\$4,703,943	\$0	\$386,998	\$2,116,892	\$5,766,108	(\$3,649,216)	
<b>Total All Payers</b>		\$366	44,080	\$16,124,905	\$11,930,838	\$0	\$386,998	\$3,807,069	\$12,899,570	(\$9,092,501)	

6b. Please provide three years of projections of incremental revenue, expense and volume statistics attributable to the proposal in the following reporting format:

Type of Service Description	Assect																			
Type of Unit Description:	Visits																			
# of Months in Operation	9																			
FY	2008	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)									
FY Projected Incremental	Rate	Units	Gross Revenue	Col. 2 * Col. 3	Allowances/ Deductions	Charity Care	Bad Debt	Net Revenue	Col. 4 - Col. 5	Operating Expenses	Col. 1 Total *	Col. 4 / Col. 4 Total	Gain/(Loss) from Operations	Col. 8 - Col. 9						
Total Incremental Expenses:	\$5,779,826																			
Total Facility by Payer Category:																				
Medicare	\$293	7,417	\$2,169,963		\$1,088,855			\$1,081,108		\$2,138,536			(\$1,057,428)							
Medicaid	\$293	2,646	\$774,149		\$492,232			\$281,917		\$762,937			(\$481,020)							
CHAMPUS/TriCare	\$293	1,022	\$299,103		\$162,619			\$136,484		\$294,771			(\$158,287)							
<b>Total Governmental</b>		11,085	\$3,243,216		\$1,743,707		\$0	\$1,499,509		\$3,196,244			(\$1,696,735)							
Commercial Insurers	\$293	8,479	\$2,480,796		\$507,580			\$1,973,216		\$2,444,866			(\$471,650)							
Uninsured	\$293	481	\$140,754				\$140,754	\$0		\$138,716			(\$138,716)							
<b>Total NonGovernment</b>		8,960	\$2,621,550		\$507,580		\$0	\$1,973,216		\$2,583,582			(\$610,366)							
<b>Total All Payers</b>		20,045	\$5,864,766		\$2,251,287		\$0	\$3,472,725		\$5,779,826			(\$2,307,101)							

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

August 28, 2014

VIA FAX ONLY

Ms. Shraddha Patel  
Director of Business Development and Planning  
Lawrence + Memorial Hospital, Inc.  
365 Montauk Avenue,  
New London, CT 06320

RE: Certificate of Need Application, Docket Number 14-31932-CON  
Termination by Lawrence + Memorial Hospital of Outpatient Behavioral Medicine  
Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services and  
the establishment of these same services by Associated Specialists of Southeastern  
Connecticut, Inc., ("ASSECT") in 2008.

Dear Ms. Patel:

On August 1, 2014, the Office of Health Care Access ("OHCA") received the Certificate of  
Need ("CON") application filing on behalf of Lawrence + Memorial Hospital ("hospital")  
proposing to terminate certain outpatient services on April 1, 2008 (see above), with no  
associated capital expenditure.

Pursuant to OHCA CON Determination reports (13-31829-DTR and 14-31910-DTR), a review  
of the submitted application, and the absence of a separate application to establish services by  
ASSECT, OHCA has determined that ASSECT must be made co-applicant to the CON  
application identified under Docket Number: 12-31932-CON.

OHCA has reviewed the CON application pursuant to Connecticut General Statutes §19a-  
639a(c) and requests the following additional information:

1. List the hospital's service area towns as of March 31, 2008 and the basis for their selection  
in the following table.

*An Equal Opportunity Provider*

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

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

**TABLE 1**  
 SERVICE AREA TOWNS

Town Name*	Reason for Inclusion

\*List the official name of town; do not use village or borough names.

2. Page 4 of the application identifies “Neonatology Professional Services” and “Physician Assistant Surgical Services” as services transferred to ASSECT. Please identify the specific services provided within these two categories, the entity that billed and received reimbursement for these services, the entity legally liable for patient care, and whether these were inpatient or outpatient services.
  
3. Page 4 also lists “Behavioral Health Professional Services” as a service transferred to ASSECT. Please list the specific outpatient services included within this category or verify that they correspond to the services outlined on page 2 of the March 11, 2013 correspondence from Ms. Pamela Kane (13-31829-DTR).
  
4. Complete the following table for the services provided by Associated Specialists of Southeastern Connecticut, Inc. (ASSECT) and L+M Physician Association, Inc. (Child/Adolescent Outpatient Counseling, ED/Crisis Service) for fiscal years (“FY”) 2009-2014 by service.

**TABLE 2**  
 HISTORICAL VOLUMES

Service*	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Behavioral Medicine Visits						
Diabetes Visits – Main Campus						
Diabetes Visits – Mystic						
Diabetes Visits – Old Saybrook						
Diabetes Visits - Total						
OB Clinic Visits						
Neonatology Discharges						
Infectious Disease Visits						
PA Surgical Procedures						

\*Provide the number of visits/discharges as applicable for each service/location listed.

- a. Explain any increases and/or decreases in volume seen in the table above.

5. Provide the patient population mix for outpatient services provided by L+M Hospital, ASSECT and L+M Physician Association, Inc. (Child/Adolescent Outpatient Counseling, ED/Crisis Service) from FYs 2007-2014 for each of the following services: Behavioral Medicine, Diabetes, OB Clinic, Neonatology, Infectious Disease and PA Surgical Procedures.

**TABLE 3A**  
 APPLICANT'S PAYER MIX: BEHAVIORAL MEDICINE

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3B**  
 APPLICANT'S PAYER MIX: DIABETES

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3C**  
**APPLICANT'S PAYER MIX: OB CLINIC**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3D**  
**APPLICANT'S PAYER MIX: NEONATOLOGY**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3E**  
**APPLICANT'S PAYER MIX: INFECTIOUS DISEASE**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3F**  
**APPLICANT'S PAYER MIX: PA SURGICAL PROCEDURES**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*																
Medicaid*																
CHAMPUS & TriCare																
<b>Total Government</b>																
Commercial Insurers																
Uninsured																
Workers Compensation																
<b>Total Non-Government</b>																
<b>Total Payer Mix</b>																

\*Includes managed care activity.

\*\*Fill in years. Ensure the period covered by this table corresponds to the period covered in the projections provided.

Note: The patient population mix should be based on patient volumes, not patient revenues.

- Please clarify the following statement on page 11 of the application. It states, "The transfer of professional services from ASSECT to the Hospital did result in the reconciling of certain global billing complications at the Hospital level." What, if any, professional services were transferred from ASSECT to the Hospital? Describe what is meant by global billing complications.

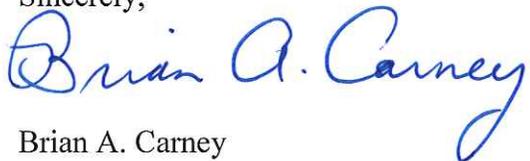
7. According to L+M's Website, diabetes services are currently provided at 194 Howard Street, New London and 91 Voluntown Road, Stonington. Page 4 of the application documents that only the Old Saybrook location had been closed. Are diabetes services still provided on the Hospital's main campus and in Mystic? If not, please provide the dates of closure and the rationale for closing these service locations.
  
8. Please provide the list of providers/services that migrated from ASSECT to the L+M Physician Association, Inc. medical foundation and the date(s) when this occurred.

In responding to the questions contained in this letter, please repeat each question before providing your response. Paginate and date your response, i.e., each page in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant's document preceding it. Please begin your submission using **Page 71** and reference "Docket Number: 14-31932-CON." Submit one (1) original and three (3) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **October 27, 2014**, otherwise your application will be automatically considered withdrawn.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7014 or Paolo Fiducia at (860) 418-7035.

Sincerely,



Brian A. Carney  
Associate Research Analyst

\* \* \* COMMUNICATION RESULT REPORT ( AUG. 28. 2014 3:13PM ) \* \* \*

FAX HEADER:

TRANSMITTED/STORED : FILE MODE	AUG. 28. 2014 3:12PM OPTION	ADDRESS	RESULT	PAGE
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REASON FOR ERROR  
 E-1) HANG UP OR LINE FAIL  
 E-3) NO ANSWER

E-2) BUSY  
 E-4) NO FACSIMILE CONNECTION



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

**FAX SHEET**

**TO:** MS. SHRADDHA PATEL  
DIRECTOR OF BUSINESS DEVELOPMENT AND PLANNING

**FAX:** (860) 444-3741

**AGENCY:** LAWRENCE+MEMORIAL HOSPITAL

**FROM:** OHCA

**DATE:** 8/28/14 **Time:** \_\_\_\_\_

**NUMBER OF PAGES:** 7  
*(including transmittal sheet.)*

**Comments:** Docket Number: 14-31932-CON

**PLEASE PHONE  
 TRANSMISSION PROBLEMS**

**IF THERE ARE ANY**

*Phone: (860) 418-7001*

*Fax: (860) 418-7053*

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

## Carney, Brian

---

**From:** Jennifer O'Donnell <jlo@bvmlaw.com>  
**Sent:** Tuesday, October 21, 2014 2:23 PM  
**To:** Carney, Brian  
**Cc:** Kathleen Gedney; Michele Volpe  
**Subject:** Certificate of Need Application Docket Number 14-31932-CON  
**Attachments:** Extention request to 8.28.14 questions (10.21.14).pdf

Dear Mr. Carney:

Please see attached correspondence from Attorney Volpe re the above captioned. Thank you.

Jennifer L. O'Donnell  
Paralegal  
Bershtein, Volpe & McKeon P.C.  
105 Court Street, 3rd Floor  
New Haven, Connecticut 06511-6957  
Telephone: (203) 777-5800 (ext. 104)  
Direct Line: (203) 777-5804  
Facsimile: (203) 777-5806

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**BERSHTEIN, VOLPE & McKEON P.C.**  
ATTORNEYS AT LAW  
105 COURT STREET, THIRD FLOOR  
NEW HAVEN, CONNECTICUT 06511  
203-777-5800  
Fax: 203-777-5806



Michele M. Volpe  
Direct Dial (203) 777-6995

October 21, 2014

Via email ( [Brian.Carney@ct.gov](mailto:Brian.Carney@ct.gov) )

Brian A. Carney  
Associate Research Analyst  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, Connecticut 06134-0308

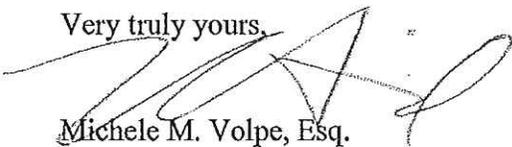
Re: Certificate of Need Application Docket Number 14-31932-CON

Dear Mr. Carney:

On behalf of the Applicants in the above captioned matter, Lawrence + Memorial Hospital, Inc. ("L+M") and Associated Specialists of Southeastern Connecticut, Inc.'s ("ASSECT"), we respectfully request that the Department of Public Health Division of the Office of Health Care Access grant a thirty (30) day extension to respond to Completeness Questions. The Applicant has been working diligently to address the questions but due to recent personnel changes at the Applicant, the extent of the historical data requests and working to close the Hospital fiscal year, additional time is needed.

Thank you.

Very truly yours,

  
Michele M. Volpe, Esq.

Cc: Bruce Cummings, President and Chief Executive Officer  
Shradha Patel, Director of Business Development and Planning



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

October 23, 2014

**VIA FAX ONLY**

Ms. Michele M. Volpe, Esq.  
Bershtein, Volpe & McKeon P.C.  
105 Court Street, Third Floor  
New Haven, Connecticut 06511

**Re: Docket No. 14-31932-CON**

Dear Ms. Volpe:

The Office of Health Care Access (OHCA) is in receipt of your letter requesting a thirty (30) day extension on behalf of Lawrence + Memorial Hospital, Inc. ("L+M") and Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT") to respond to Completeness questions faxed to the Applicant on August 28, 2014.

OHCA hereby grants the thirty (30) day extension and requires you to submit the written Completeness letter responses no later than **noon, December 7, 2014**, otherwise your application will be automatically considered withdrawn.

Please submit these responses in both Adobe (.pdf) and MS Word formats. Should you have any questions regarding this extension, please do not hesitate to contact Brian Carney at the Department of Public Health, OHCA (860-418-7014; [Brian.Carney@ct.gov](mailto:Brian.Carney@ct.gov)).

Sincerely,

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

Kim Martone  
Director, Office of Health Care Access  
Department of Public Health

Cc: Shraddha Patel, Director of Business Development and Planning

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

\* \* \* COMMUNICATION RESULT REPORT ( OCT. 23. 2014 2:27PM ) \* \* \*

FAX HEADER:

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E-2) BUSY  
 E-4) NO FACSIMILE CONNECTION



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

**FAX SHEET**

**TO:** MS. SHRADDHA PATEL  
DIRECTOR OF BUSINESS DEVELOPMENT AND PLANNING

**FAX:** (860) 444-3741

**AGENCY:** LAWRENCE+MEMORIAL HOSPITAL

**FROM:** OHCA

**DATE:** 10/23/14 **Time:** \_\_\_\_\_

**NUMBER OF PAGES:** 2  
*(including transmittal sheet)*

**Comments:**  
**Docket Number: 14-31932-CON**

**PLEASE PHONE  
 TRANSMISSION PROBLEMS**

**IF THERE ARE ANY**

**Phone: (860) 418-7001**

**Fax: (860) 418-7053**

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

\* \* \* COMMUNICATION RESULT REPORT ( OCT. 23. 2014 2:27PM ) \* \* \*

FAX HEADER:

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E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT  
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

**TO:** MS. MICHELE M. VOLPE, ESQ.  
BERSHTEIN, VOLPE & MCKEON P.C.

**FAX:** (203) 777-5806

**AGENCY:** RE: L+M HOSPITAL/ASSOCIATED SPECIALISTS OF  
SOUTHEASTERN CONNECTICUT, INC.

**FROM:** OHCA

**DATE:** 10/23/14 **Time:** \_\_\_\_\_

**NUMBER OF PAGES:** 2  
*(including transmittal sheet)*

**Comments:** Docket Number: 14-31932-CON

**PLEASE PHONE  
TRANSMISSION PROBLEMS**

**IF THERE ARE ANY**

**Phone: (860) 418-7001**

**Fax: (860) 418-7053**

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

## Greer, Leslie

---

**From:** Carney, Brian  
**Sent:** Friday, November 14, 2014 1:11 PM  
**To:** Greer, Leslie  
**Cc:** Riggott, Kaila  
**Subject:** FW: Docket Number 14-31932 - Completeness Questions  
**Attachments:** 14-31932-CON Completeness Question Response.docx

See attached.

**Brian A. Carney, MBA**  
Associate Research Analyst  
Phone: (860) 418-7014

 Please consider the environment before printing this message

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**From:** Kathleen Gedney [<mailto:kgg@bvmlaw.com>]  
**Sent:** Friday, November 14, 2014 12:40 PM  
**To:** Carney, Brian  
**Cc:** Michele AOL; Jennifer O'Donnell  
**Subject:** RE: Docket Number 14-31932 - Completeness Questions

Yes. Please see attached.

Regards,  
Kate Gedney

---

**From:** Carney, Brian [<mailto:Brian.Carney@ct.gov>]  
**Sent:** Friday, November 14, 2014 12:39 PM  
**To:** Kathleen Gedney  
**Subject:** RE: Docket Number 14-31932 - Completeness Questions

Yes, I have received your responses. Can you please, in addition, send OHCA the corresponding Word version for your completeness responses.

Thanks,  
Brian

**Brian A. Carney, MBA**  
Associate Research Analyst  
Phone: (860) 418-7014

 Please consider the environment before printing this message

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**From:** Kathleen Gedney [<mailto:kgg@bvmlaw.com>]  
**Sent:** Friday, November 14, 2014 12:04 PM  
**To:** Carney, Brian

**Cc:** Michele AOL; Jennifer O'Donnell

**Subject:** Docket Number 14-31932 - Completeness Questions

Mr. Carney:

Attached please find Lawrence + Memorial Hospital's responses to OHCA's completeness questions of August 28, 2014 regarding Docket Number 14-31932. As you recall from our phone conversation a couple weeks ago you accepted our request to provide the response in electronic form. Please let us know you have received this email and can read the attachment.

Additionally, we have sent the original ASSECT affidavit to your attention via certified mail.

Thank you,

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

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365 Montauk Avenue | New London, CT 06320  
860.442.0711 | lmhospital.org

November 14, 2014

Via Mail and Email (Brian.Carney@ct.gov)

Brian A. Carney  
Associate Research Analyst  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, Connecticut 06134-0308

Re: Certificate of Need Application Docket Number 14-31932-CON  
Termination by Lawrence & Memorial Hospital of Outpatient Behavioral Medicine  
Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services and  
the establishment of these same services by Associated Specialists of Southeastern  
Connecticut, Inc. (“ASSECT”) in 2008.

Dear Mr. Carney:

Below is Lawrence +Memorial Hospital, Inc. (“L+M”) and Associated Specialists of  
Southeastern Connecticut, Inc.’s (“ASSECT”) response to the Department of Public Health  
Office of Health Care Access’s (“OHCA’s”) letter dated August 28, 2014. Additionally, as you  
have requested that ASSECT be a co-applicant, we have included an additional first page and an  
additional affidavit from a duly authorized representative of ASSECT.

**1. List the hospital’s service area towns as of March 31, 2008 and the basis for their  
selection in the following table.**

Town Name	Reason for Inclusion
East Lyme	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community’s healthcare needs, this town is part of the service area that the Applicant has represented to OHCA for years during the CON process and this town fits the definition of “Primary Service Area” as set forth in the Statewide Facilities and Services Report published in 2012 (“that geographic area (by town), for the service location in the application, consisting of the lowest number of contiguous zip codes from which the applicant draws at least 75% of its patients for this service at such location”).

Groton	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs, this town is part of the service area that the Applicant has represented to OHCA for years during the CON process and this town fits the definition of "Primary Service Area" as set forth in the Statewide Facilities and Services Report published in 2012 ("that geographic area (by town), for the service location in the application, consisting of the lowest number of contiguous zip codes from which the applicant draws at least 75% of its patients for this service at such location").
Ledyard	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs and this town is part of the service area that the Applicant has represented to OHCA for years during the CON process.
Lyme	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs and this town is part of the service area that the Applicant has represented to OHCA for years during the CON process.
Montville	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs, this town is part of the service area that the Applicant has represented to OHCA for years during the CON process and this town fits the definition of "Primary Service Area" as set forth in the Statewide Facilities and Services Report published in 2012 ("that geographic area (by town), for the service location in the application, consisting of the lowest number of contiguous zip codes from which the applicant draws at least 75% of its patients for this service at such location").
New London	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs, this town is part of the service area that the Applicant has represented to OHCA for years during the CON process and this town fits the

	definition of "Primary Service Area" as set forth in the Statewide Facilities and Services Report published in 2012 ("that geographic area (by town), for the service location in the application, consisting of the lowest number of contiguous zip codes from which the applicant draws at least 75% of its patients for this service at such location").
North Stonington	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs and this town is part of the service area that the Applicant has represented to OHCA for years during the CON process.
Old Lyme	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs and this town is part of the service area that the Applicant has represented to OHCA for years during the CON process.
Stonington	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs and this town is part of the service area that the Applicant has represented to OHCA for years during the CON process.
Waterford	The basis for inclusion is that L+M currently services this town to fulfill its mission in serving the community's healthcare needs, this town is part of the service area that the Applicant has represented to OHCA for years during the CON process and this town fits the definition of "Primary Service Area" as set forth in the Statewide Facilities and Services Report published in 2012 ("that geographic area (by town), for the service location in the application, consisting of the lowest number of contiguous zip codes from which the applicant draws at least 75% of its patients for this service at such location").

- 2. Page 45 of the application identifies “Neonatology Professional Services” and “Physician Assistant Surgical Services” as services transferred to ASSECT. Please identify the specific services provided within these two categories, the entity that billed and received reimbursement for these services, the entity legally liable for patient care, and whether these were inpatient or outpatient services.**

Neonatology Professional Services include professional services that are billed by providers for the care of newborn infants, including, but not limited to, premature infants. The Hospital was the licensed provider of care that billed, received reimbursement for, and was legally liable for patient care and recorded Neonatology Professional Services on its books until March 2008. Starting in April 2008, ASSECT began billing and received reimbursement for Neonatology Professional Services, was the entity legally liable for patient care and recorded Neonatology Professional Services on its books.

Physician Assistant Surgical Services include professional services that are billed by physician assistant providers for general surgical services (“Physician Assistant Surgical Services”). The Hospital was the licensed provider of care that billed and received reimbursement for, was the entity legally liable for patient care and recorded Physician Assistant Surgical Services on its books until March 2008. Starting in April 2008, ASSECT began billing and received reimbursement for Physician Assistant Surgical Services, was the entity legally liable for patient care and recorded Physician Assistant Surgical Services on its books.

- 3. Page 4 also lists “Behavioral Health Professional Services” as a service transferred to ASSECT. Please list the specific outpatient services included within this category or verify that they corresponded to the services outlined on page 2 of the March 11, 2013 correspondence from Ms. Pamela Kane (13-31829-DTR).**

The specific outpatient services included within the “Behavioral Health Professional Services” corresponds with those outlined on Page 2 of the March 11, 2013 correspondence from Ms. Pamela Kane. This correspondence is attached as Exhibit A for your reference.

- 4. Complete the following table for the services provided by Associated Specialists of Southeastern Connecticut, Inc. (ASSECT) and the L+M Physician Association, Inc. (Child/Adolescent Outpatient Counseling, ED/Crisis Service) for fiscal years (“FY”) 2009-2014 by service.**

Service	FY 2009	FY 2010	FY 2011	FY 2012
Behavioral Medicine Visits	18,546	20,123	21,460	24,034
Diabetes Visits - Main Campus	4,917	12,485	11,336	10,952
Diabetes Visits - Mystic	2,672	6,887	6,248	6,061
Diabetes Visits - Old Saybrook	774	1,930	2,212	1,477
Diabetes Visits - Total	8,363	21,302	19,796	18,490
OB Clinic Visits	1,759	1,787	1,831	1,857
Neonatology Visits	2,875	3,337	4,539	4,130
Infectious Disease Visits	4,573	6,516	7,761	8,110
PA Surgical Procedures	3,522	3,136	3,113	4,598

**a. Explain any increases and/or decreases in volume seen in the table above.**

Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT was not required to file a CON authorization for the transfer of the services, therefore, data has not been provided for visits for FY 2013 and FY 2014.

As stated in L+M's response to CON Application Question 3(c), L+M used an outside billing vendor and is unable to separate diabetes visits by location for part of FY 2009. Only data for six months of FY 2009 (04/01/09 – 09/30/09) is available and has been provided.

Diabetes total volume in the service area has remained consistent since 2008. However, as demonstrated in the table below, volume at the individual locations and by provider has shifted because the Applicant added diabetes service locations to more appropriately planned geographic locations and relocated providers to new locations within the service area to better address community needs and to eliminate the financial burden in keeping certain locations open. No services have been terminated, just relocated. In the past two years, the Applicant has added three locations for diabetes services. The new locations include 194 Howard Street, New London, 91 Voluntown Road, Stonington and Westerly Hospital. The New London and Stonington locations are both conveniently located within the Applicant's service area. Please see the extended table below whereby the volume for each new location has been added and the patients from the Old Saybrook and Mystic locations are now receiving services at the new locations.

Service	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Diabetes Visits - Main Campus	4,917	12,485	11,336	10,952	11,212	6,004
Diabetes Visits - Mystic	2,672	6,887	6,248	6,061	5,073	2,588
Diabetes Visits - Old Saybrook	774	1,930	2,212	1,477	137	4 <sup>1</sup>
Diabetes Visits - Westerly	-	-	-	-	8	234
Diabetes Visits - Stonington	-	-	-	-	804	4,561
Diabetes Visits - MOB	-	-	-	-	-	3,191
Diabetes Visits - Total	8,363	21,302	19,796	18,490	17,246	16,782

<sup>1</sup> Although 4 visits are reported, no patients were seen at the Old Saybrook location in FY 2014; such visits are likely due to electronic scheduling errors.

5. Provide the patient population mix for outpatient services provided by L+M Hospital, ASSECT and L+M Physician Association, Inc. (Child/Adolescent Outpatient Counseling, ED/Crisis Service) from FYs 2007-2014 for each of the following services: Behavioral Medicine, Diabetes, OB Clinic, Neonatology, Infections Disease and PA Surgical Procedures.

**TABLE 3A**  
**APPLICANT'S PAYOR MIX: BEHAVIORAL MEDICINE<sup>2</sup>**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	2,690	25.9%	5,894	30.0%	3,091	30.9%	4,367	32.6%	4,949	34.3%	5,065	30.8%
Medicaid	2,599	25.0%	4,087	20.8%	2,119	21.2%	2,938	21.9%	3,123	21.7%	4,070	24.7%
CHAMPUS & TRICARE	440	4.2%	874	4.4%	429	4.3%	578	4.3%	623	4.3%	709	4.3%
Total Government	5,729	55.0%	10,855	55.2%	5,640	56.4%	7,882	58.9%	8,695	60.3%	9,845	59.8%
Commercial	4,432	42.6%	8,316	42.3%	3,999	40.0%	5,075	37.9%	5,349	37.1%	6,295	38.3%
Uninsured	173	1.7%	435	2.2%	350	3.5%	408	3.0%	332	2.3%	259	1.6%
Worker's Comp	73	0.7%	63	0.3%	8	0.1%	25	0.2%	36	0.2%	53	0.3%
Total Non-Government	4,678	45.0%	8,814	44.8%	4,357	43.6%	5,509	41.1%	5,717	39.7%	6,606	40.2%
Total Payor Mix	10,407	100	19,669	100	9,997	100	13,391	100	14,412	100	16,451	100

<sup>2</sup> Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT services are not subject to CON review therefore data has not been provided for Behavioral Medicine Visits for FY 2013 and FY 2014.

**TABLE 3B  
APPLICANT'S PAYOR MIX: DIABETES**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012		FY 2013		FY 2014	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	8,265	32.2%	9,269	32.8%	3,850	33.5%	5,311	32.1%	5,178	34.0%	6,232	34.6%	5,512	36.2%	4,005	37.5%
Medicaid	1,730	6.7%	1,968	7.0%	928	8.1%	1,456	8.8%	1,465	9.6%	1,666	9.3%	1,507	9.9%	976	9.1%
CHAMPUS & TRICARE	1,065	4.1%	1,101	3.9%	164	1.4%	639	3.9%	553	3.6%	735	4.1%	512	3.4%	372	3.5%
Total Government	11,060	43.1%	12,339	43.7%	4,942	43.0%	7,407	44.8%	7,196	47.3%	8,634	48.0%	7,531	49.4%	5,354	50.1%
Commercial	14,141	55.1%	15,423	54.6%	6,320	55.0%	8,923	54.0%	7,822	51.4%	9,268	51.5%	7,589	49.8%	5,268	49.3%
Uninsured	462	1.8%	487	1.7%	229	2.0%	192	1.2%	196	1.3%	93	0.5%	107	0.7%	59	0.6%
Worker's Comp	7	0.0%	18	0.1%	2	0.0%	1	0.0%	4	0.0%	2	0.0%	3	0.0%	0	0.0%
Total Non-Government	14,610	56.9%	15,928	56.3%	6,551	57.0%	9,116	55.2%	8,022	52.7%	9,362	52.0%	7,699	50.6%	5,327	49.9%
Total Payor Mix	25,670	100%	28,267	100%	11,493	100%	16,523	100%	15,218	100%	17,996	100%	15,230	100%	10,681	100%

**TABLE 3C  
APPLICANT'S PAYOR MIX: OB CLINIC<sup>3</sup>**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	41	0.8%	91	1.9%	-	0.0%	24	1.4%	38	2.2%	61	3.5%
Medicaid	3,127	61.0%	3,256	66.5%	1,548	88.0%	1,508	88.4%	1,594	93.5%	886	51.4%
CHAMPUS & TRICARE	1	0.0%	1	0.0%	-	0.0%	-	0.0%	-	0.0%	250	14.5%
Total Government	3,169	61.8%	3,348	68.4%	1,548	88.0%	1,532	89.8%	1,632	95.7%	1,196	69.4%
Commercial	248	4.8%	104	2.1%	193	11.0%	72	4.2%	63	3.7%	499	29.0%
Uninsured	1,708	33.3%	1,442	29.5%	18	1.0%	102	6.0%	10	0.6%	28	1.6%
Worker's Comp	1	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Non-Government	1,957	38.2%	1,546	31.6%	211	12.0%	174	10.2%	73	4.3%	527	30.6%
Total Payor Mix	5,126	100%	4,894	100%	1,759	100%	1,706	100%	1,705	100%	1,723	100%

<sup>3</sup> Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT services are not subject to CON review therefore data has not been provided for OB Clinic Services for FY 2013 and FY 2014.

**TABLE 3D**  
**APPLICANT'S PAYOR MIX: NEONATOLOGY<sup>4</sup>**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	0	0.0%	0	0.0%	0	0.5%	0	-0.2%	0	0.0%	0	0.0%
Medicaid	6	34.4%	4	42.3%	6	33.4%	9	41.6%	4	41.3%	8	52.9%
CHAMPUS & TRICARE	2	16.1%	3	23.8%	5	26.6%	4	18.6%	2	22.4%	3	17.8%
Total Government	8	50.6%	7	66.0%	11	60.5%	13	59.9%	6	63.7%	11	70.7%
Commercial	7	46.6%	4	33.1%	7	33.1%	8	37.0%	3	33.3%	4	31.2%
Uninsured	0	2.8%	0	0.9%	1	6.4%	1	3.1%	0	3.1%	0	-1.9%
Worker's Comp	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%	0	0.0%
Total Non-Government	7	49.4%	4	34.0%	8	39.5%	9	40.1%	3	36.3%	4	29.3%
Total Payor Mix	15	100%	11	100%	19	100%	22	100%	9	100%	15	100%

**TABLE 3E**  
**APPLICANT'S PAYOR MIX: INFECTIOUS DISEASE<sup>5</sup>**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	1,399	40.7%	1,421	38.6%	643	46.6%	826	43.2%	944	45.5%	1,014	49.0%
Medicaid	473	13.8%	660	17.9%	261	18.9%	333	17.5%	405	19.5%	363	17.5%
CHAMPUS & TRICARE	87	2.5%	51	1.4%	38	2.7%	53	2.8%	50	2.4%	53	2.6%
Total Government	1,960	57.1%	2,132	57.9%	942	68.3%	1,213	63.5%	1,399	67.4%	1,429	69.0%
Commercial	1,315	38.3%	1,441	39.2%	389	28.2%	636	33.3%	628	30.2%	576	27.8%
Uninsured	111	3.2%	90	2.4%	42	3.0%	55	2.9%	37	1.8%	52	2.5%
Worker's Comp	49	1.4%	17	0.5%	6	0.4%	7	0.4%	13	0.6%	13	0.7%
Total Non-Government	1,474	42.9%	1,548	42.1%	436	31.7%	698	36.5%	678	32.6%	641	31.0%
Total Payor Mix	3,434	100%	3,680	100%	1,378	100%	1,911	100%	2,077	100%	2,070	100%

<sup>4</sup> Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT services are not subject to CON review therefore data has not been provided for Neonatology for FY 2013 and FY 2014.

<sup>5</sup> Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT services are not subject to CON review therefore data has not been provided for Infections Disease Services for FY 2013 and FY 2014.

**TABLE 3F**

**APPLICANT'S PAYOR MIX: PA SURGICAL PROCEDURES<sup>6</sup>**

Payor	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare	392	28.8%	520	28.0%	401	35.6%	290	32.0%	355	32.8%	559	38.3%
Medicaid	167	12.3%	266	14.3%	148	13.1%	102	11.3%	172	15.9%	181	12.4%
CHAMPUS & TRICARE	96	7.0%	112	6.0%	50	4.5%	52	5.8%	74	6.8%	133	9.1%
Total Government	655	48.1%	897	48.3%	600	53.1%	444	49.1%	601	55.5%	873	59.8%
Commercial	655	48.0%	899	48.4%	479	42.4%	351	38.8%	474	43.8%	495	33.9%
Uninsured	28	2.1%	34	1.8%	38	3.3%	100	11.0%	-6 <sup>7</sup>	-0.6%	23	1.6%
Worker's Comp	25	1.9%	28	1.5%	13	1.1%	10	1.1%	14	1.3%	69	4.7%
Total Non- Government	709	51.9%	961	51.7%	529	46.9%	461	50.9%	482	44.5%	587	40.2%
Total Payor Mix	1,364	100%	1,858	100%	1,129	100%	905	100%	1,083	100%	1,460	100%

- 6. Please clarify the following statement on Page 11 of the application. It states, "The transfer of professional services from ASSECT to the Hospital did result in the reconciliation of certain global billing complications at the Hospital level." What, if any, professional services were transferred from ASSECT to the Hospital? Describe what is meant by global billing complications.**

The sentence was incorrectly stated as the entities were inverted. We revise the sentence to state: "The transfer of professional services from the Hospital to ASSECT did result in the reconciliation of certain global billing complications at the Hospital level." No services were transferred from ASSECT to the Hospital.

- 7. According to L+M's website, diabetes services are currently provided at 194 Howard Street, New London and 91 Voluntown Road, Stonington. Page 4 of the application documents that only the Old Saybrook location had been closed. Are diabetes services still provided on the Hospital's main campus and in Mystic? If not, please provide the dates of closure and the rationale for closing these service locations.**

<sup>6</sup> Pursuant to Report Number 13-31829 dated April 2, 2013, ASSECT services are not subject to CON review therefore data has not been provided for Physician Assistant Services for FY 2013 and FY 2014.

<sup>7</sup> The negative sums in the 2011 Uninsured patient figures represent a correction of the previous year from Uninsured status to Medicaid status.

Diabetes services are currently provided at the 194 Howard Street, New London location and 91 Voluntown Road, Stonington. As stated above in question 4(a), diabetes total volume has remained consistent. However, as demonstrated in the expanded table in 4(a), volume at individual locations has shifted between locations because the Applicant added diabetes service locations and relocated providers to new locations within the service area to better address community needs and to eliminate the financial burden in keeping certain locations open. To align with these goals, diabetes services were no longer provided at the Mystic location or the main campus on or around May 2, 2014. Although volume has decreased at certain locations, total volume has remained steady and the Applicant remains committed to serving the community's diabetes needs.

**8. Please provide the list of providers/services that migrated from ASSECT to L+M Physician Association, Inc. medical foundation and the date(s) when this occurred.**

As further detailed in L+M's letter to OHCA dated January 17, 2013 (re: Office of Health Care Access inquiry into the status of certain outpatient service lines dated January 4, 2013), professional services were transferred from ASSECT to L+MPA on or around November 16, 2012 and on or around January 18, 2013. These transfers were due to the fact that the providers of the professional component of the services were previously employed by ASSECT but are now employed by L+MPA. As noted in Report Number 13-13829-DTR, no CON authorization was required for these transfers as they did not involve hospital services.

Please contact the undersigned at 860-912-5324 if you have any questions or require additional information.

Thank you.

Very truly yours,



Shraddha Patel  
Director of Business Development and Planning

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

Exhibit A

March 11, 2013 correspondence from Ms. Pamela Kane



365 Montauk Avenue  
New London, CT 06320

March 11, 2013  
Via Facsimile and FedEx

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

Re: OHCA inquiry into the change in operational status of the Outpatient Behavioral Health clinic Lawrence + Memorial Hospital dated February 20, 2013.

Dear Ms. Roberts:

Below are the responses to the Department of Public Health Office of Health Care Access's ("OHCA's") letter dated February 20, 2013.

**1. You indicate in your response letter that "As of January 18, 2013, the outpatient behavioral medicine counseling services will move from a wing of the building referred to as "Pond House" at 365 Montauk Avenue to the Professional Development Center building of the Hospital at 365 Montauk Avenue, New London; 276 Montauk Avenue, New London; 248 Flanders Road, Niantic; 404 Thames Street, Groton; 91 Voluntown Road, Pawcatuck; and 2 Lorenz industrial Parkway, Ledyard" and that "individual and group sessions will be conducted at the various locations and the hours of operation remain the same." You further indicate that prior to this change Associated Specialists of Southeastern Connecticut, Inc., a wholly owned subsidiary of the Hospital, was the provider of the services but that L+M Physician Association Inc., an affiliated Medical Foundation, will now be the billing entity for the outpatient behavioral medicine counseling services.**

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

The Hospital was the provider that billed for the services and recorded all outpatient behavioral health activity on its books until March 2008. Starting in April 2008, Associated Specialists of Southeastern Connecticut ("ASSECT") began billing for outpatient behavioral medicine counseling services and the Hospital continued to be the provider/billing entity for intensive outpatient therapy ("IOP"). IOP continues to be provided by the Hospital.

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

There were no changes to the services, the professionals, the patient base or the payor mix for the behavioral health services in the timeframe identified above in 1(a). Only the billing provider changed.

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

<b>Specific Outpatient Behavioral Health Services</b>	<b>Provided by Lawrence + Memorial Hospital prior to transfer to ASSECT (check if provided)</b>	<b>Provided by ASSECT Inc. prior to transfer to L+M Physician, Inc. (check if provided)</b>	<b>Currently provided by L+M Physician, Inc. (check if provided)</b>
Intensive Outpatient	Still provided through the Hospital & was never moved	Not applicable	Not applicable
Day/Evening Treatment	Not applicable	Not applicable	Not applicable
Child/Adolescent Outpatient Counseling	√	√	√
Substance Abuse Treatment	Not applicable. Hospital is not licensed to provide and never provided substance abuse treatment	Not applicable	Not applicable
ED/Crisis Service	√	√	√
Inpatient Psychiatric Unit Care	Still provided through the Hospital & was never moved	Not applicable	Not applicable

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

Thank you.

Very truly yours,



Pamela J. Kane  
V.P. Physician Practice Management

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

**AFFIDAVIT**

Applicant: Lawrence + Memorial Hospital, Inc. and Associated Specialists of Southeastern Connecticut, Inc.

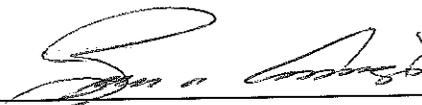
Project Title: Operational status of certain outpatient services at or by Lawrence & Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital

I, Bruce Cummings, President/CEO  
(Individual's Name) (Position Title – CEO or CFO)

of Associated Specialists of Southeastern Connecticut, Inc. being duly sworn, depose  
(Hospital or Facility Name)

and state that Associated Specialists of Southeastern Connecticut, Inc. information  
(Hospital or Facility Name)

submitted in this Certificate of Need Application is accurate and correct to the best of my knowledge.

  
Signature

October 14, 2014  
Date

Subscribed and sworn to before me on October 14, 2014

  
Notary Public/Commissioner of Superior Court

My commission expires: \_\_\_\_\_  


**BERSHTEIN, VOLPE & McKEON, P.C.**  
ATTORNEYS AT LAW  
105 COURT STREET—THIRD FLOOR  
NEW HAVEN, CONNECTICUT 06511  
TELEPHONE: (203) 777-5800  
FACSIMILE: (203) 777-5806

[kgg@bvmlaw.com](mailto:kgg@bvmlaw.com)  
Direct Dial 203-859-6238

November 14, 2014

Via Certified Mail

Brian A. Carney  
Associate Research Analyst  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, Connecticut 06134-0308



Re: Certificate of Need Application Docket Number 14-31932-CON

Dear Mr. Carney:

As indicated in an email to you November 14, 2014, enclosed please find the original ASSECT affidavit for Lawrence + Memorial Hospital's Certificate of Need application Docket Number 14-31932.

Regards,

  
Kathleen Gedney, Esq.

Enclosure

**AFFIDAVIT**

Applicant: Lawrence + Memorial Hospital, Inc. and Associated Specialists of Southeastern Connecticut, Inc.

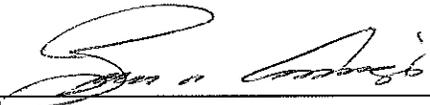
Project Title: Operational status of certain outpatient services at or by Lawrence & Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital

I, Bruce Cummings, President/CEO  
(Individual's Name) (Position Title – CEO or CFO)

of Associated Specialists of Southeastern Connecticut, Inc. being duly sworn, depose  
(Hospital or Facility Name)

and state that Associated Specialists of Southeastern Connecticut, Inc. information  
(Hospital or Facility Name)

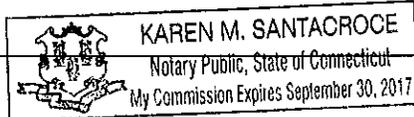
submitted in this Certificate of Need Application is accurate and correct to the best of my knowledge.

  
Signature

October 14, 2014  
Date

Subscribed and sworn to before me on October 14, 2014

  
Notary Public/Commissioner of Superior Court

My commission expires: 

## Greer, Leslie

---

**From:** Carney, Brian  
**Sent:** Thursday, December 11, 2014 11:37 AM  
**To:** Greer, Leslie  
**Subject:** FW: Docket Number 14-31932 - Completeness Questions  
**Attachments:** Revised First Page (Docket Numbers 13-31829 and 14-31910).pdf; Revised First Page (Docket Numbers 13-31829 and 14-31910).docx

Leslie, please add to the record.

Thanks,  
Brian

**Brian A. Carney, MBA**  
Associate Research Analyst  
Phone: (860) 418-7014

 Please consider the environment before printing this message

---

**From:** Kathleen Gedney [<mailto:kgg@bvmlaw.com>]  
**Sent:** Wednesday, December 10, 2014 1:56 PM  
**To:** Carney, Brian  
**Cc:** Riggott, Kaila; Fiducia, Paolo; Michele AOL; Jennifer O'Donnell  
**Subject:** RE: Docket Number 14-31932 - Completeness Questions

Apologies Mr. Carney. Please see additional first page attached in both Word and PDF format.

Regards,

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

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---

**From:** Carney, Brian [<mailto:Brian.Carney@ct.gov>]  
**Sent:** Wednesday, December 10, 2014 1:41 PM  
**To:** Kathleen Gedney  
**Cc:** Riggott, Kaila; Fiducia, Paolo  
**Subject:** RE: Docket Number 14-31932 - Completeness Questions

Ms. Gedney,

OHCA is reviewing the completeness responses and I had a quick "housekeeping" question. The cover letter states that "...we have included an additional first page and an additional affidavit..." In looking through the packet, I see the affidavit (pg 85), but I don't see the "additional first page" (revised Applicant, contact info). Can you please forward to me?

Thanks,  
Brian Carney

**Brian A. Carney, MBA**  
Associate Research Analyst  
Phone: (860) 418-7014

 Please consider the environment before printing this message

---

**From:** Kathleen Gedney [<mailto:kgg@bvmlaw.com>]  
**Sent:** Friday, November 14, 2014 12:04 PM  
**To:** Carney, Brian  
**Cc:** Michele AOL; Jennifer O'Donnell  
**Subject:** Docket Number 14-31932 - Completeness Questions

Mr. Carney:

Attached please find Lawrence + Memorial Hospital's responses to OHCA's completeness questions of August 28, 2014 regarding Docket Number 14-31932. As you recall from our phone conversation a couple weeks ago you accepted our request to provide the response in electronic form. Please let us know you have received this email and can read the attachment.

Additionally, we have sent the original ASSECT affidavit to your attention via certified mail.

Thank you,

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

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## State of Connecticut Office of Health Care Access Certificate of Need Application

**Instructions:** Please complete all sections of the Certificate of Need (“CON”) application. If any section or question is not relevant to your project, a response of “Not Applicable” may be deemed an acceptable answer. If there is more than one applicant, identify the name and all contact information for each applicant. OHCA will assign a Docket Number to the CON application once the application is received by OHCA.

**Docket Number:** 13-31829; 14-31910

**Applicant:** Lawrence + Memorial Hospital, Inc. and Associated Specialists of Southeastern Connecticut, Inc.

**Contact Person:** Ms. Shraddha Patel

**Contact Person’s Title:** Director of Business Development and Planning

**Contact Person’s Address:** 365 Montauk Avenue, New London, CT 06320

**Contact Person’s Phone Number:** (860) 912-5324

**Contact Person’s Fax Number:** (860) 444-3741

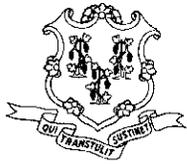
**Contact Person’s Email Address:** spatel@lmhosp.org

**Project Town:** New London, CT and other towns in the L+M service area

**Project Name:** Operational status of certain outpatient services at or by Lawrence & Memorial Hospital and transfer of services to a wholly owned tax exempt not for profit entity of Lawrence + Memorial Hospital.

**Statute Reference:** Section 19a-638, C.G.S.

**Estimated Total Capital Expenditure:** \$0



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

December 12, 2014

VIA FAX ONLY

Ms. Shraddha Patel  
 Director of Business Development and Planning  
 Lawrence+Memorial Hospital, Inc.  
 365 Montauk Avenue, New London, CT 06320

RE: Certificate of Need Application, Docket Number 14-31932-CON  
 Termination by Lawrence+Memorial Hospital of Outpatient Behavioral Medicine Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services and the establishment of these same services by Associated Specialists of Southeastern Connecticut, Inc., (“ASSECT”) in 2008.

Dear Ms. Patel:

On November 14, 2014, the Office of Health Care Access (“OHCA”) received completeness responses to the Certificate of Need (“CON”) application proposing to terminate certain outpatient services and to establish these same services on April 1, 2008 (see above), with no associated capital expenditure.

OHCA has reviewed the CON completeness responses pursuant to Connecticut General Statutes §19a-639a(c) and requests the following additional information:

- The following historical volumes for fiscal years (“FY”) 2007-2012 by service were provided by the Applicants:

**TABLE 1**  
 HISTORICAL VOLUMES

Service	L+M	L+M (7/12) ASSECT (5/12)	ASSECT			
	FY 2007 <sup>1</sup>	FY 2008 <sup>1</sup>	FY 2009 <sup>2</sup>	FY 2010 <sup>2</sup>	FY 2011 <sup>2</sup>	FY 2012 <sup>2</sup>
<b>Behavioral Medicine Visits Total</b>	16,651	28,504	18,546	20,123	21,460	24,034
<b>Diabetes Visits-Total</b>	27,684	30,689	8,363 <sup>3</sup>	21,302	19,796	18,490
Diabetes Visits – Main Campus			4,917	12,485	11,336	10,952
Diabetes Visits – Mystic			2,672	6,887	6,248	6,061
Diabetes Visits – Old Saybrook			774	1,930	2,212	1,477
<b>OB Clinic Visits Total</b>	5,126	4,894	1,759	1,787	1,831	1,857
<b>Infectious Disease Visits Total</b>	7,140	10,325	4,573	6,516	7,761	8,110

*An Equal Opportunity Provider*

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

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

<sup>1</sup> Historical volume for FY 2007 and FY 2008 were submitted on page 7 of the Application  
<sup>2</sup> Historical volumes for FY 2009 through FY 2012 were submitted on page 74 of the Completeness Responses  
<sup>3</sup> Figure represents only six months of data (4/1/09-9/30/09)

- a. Discrepancies exist between the historical volumes provided for L+M and ASSECT and the information contained in the payer mix tables (completeness responses, pp. 76-79). For example, the application (p. 7) reported the total number of Diabetes visits for FY 2007 as 27,684, while the completeness responses (p. 77) had a total of 25,670. Similarly, the application (p. 10) lists the FY 2007 Medicaid payer mix for Diabetes as 35.14%, compared to 6.7% in the completeness responses (p.77). Please reconcile all inconsistencies and resubmit the historical volumes in the format provided in Table 1.
  - b. For FY 2007 through FY 2012, provide a detailed explanation for any service volume total that reflected any significant changes in volume compared to the previous year. Please annualize the FY 2009 Diabetes visit total (figure in Table 1 represents 6 months) in order to calculate the variance.
2. Reconcile payer mix tables below with Table 1 totals for the following services: Behavioral Medicine, Diabetes, OB Clinic and Infectious Disease.
    - a. Explain any significant changes in payer mix that occurred from FY 2007-2012.

**TABLE 2**  
**APPLICANT'S PAYER MIX: BEHAVIORAL MEDICINE**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*												
Medicaid*												
CHAMPUS & TriCare												
<b>Total Government</b>												
Commercial Insurers												
Uninsured												
Workers Compensation												
<b>Total Non-Government</b>												
<b>Total Payer Mix</b>												

\*Includes managed care activity.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 3**  
**APPLICANT'S PAYER MIX: DIABETES**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*												
Medicaid*												
CHAMPUS & TriCare												
<b>Total Government</b>												
Commercial Insurers												
Uninsured												
Workers Compensation												
<b>Total Non-Government</b>												
<b>Total Payer Mix</b>												

\*Includes managed care activity.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 4**  
**APPLICANT'S PAYER MIX: OB CLINIC**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*												
Medicaid*												
CHAMPUS & TriCare												
<b>Total Government</b>												
Commercial Insurers												
Uninsured												
Workers Compensation												
<b>Total Non-Government</b>												
<b>Total Payer Mix</b>												

\*Includes managed care activity.

Note: The patient population mix should be based on patient volumes, not patient revenues.

**TABLE 5**  
**APPLICANT'S PAYER MIX: INFECTIOUS DISEASE**

Payer	FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012	
	#	%	#	%	#	%	#	%	#	%	#	%
Medicare*												
Medicaid*												
CHAMPUS & TriCare												
<b>Total Government</b>												
Commercial Insurers												
Uninsured												
Workers Compensation												
<b>Total Non-Government</b>												
<b>Total Payer Mix</b>												

\*Includes managed care activity.

Note: The patient population mix should be based on patient volumes, not patient revenues.

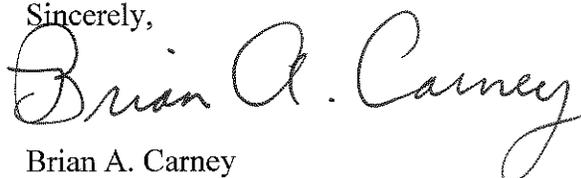
- Please provide a detailed explanation of the following statement on page 79 of the completeness responses. "The transfer of professional services from the Hospital to ASSECT did result in the reconciliation of certain **global billing complications** at the Hospital level." Describe what is meant by global billing complications.

In responding to the questions contained in this letter, please repeat each question before providing your response. Paginate and date your response, i.e., each page, in its entirety. Information filed after the initial CON application submission (e.g., completeness response letter, prefile testimony, late file submissions and the like) must be numbered sequentially from the Applicant's document preceding it. Please begin your submission using **Page 87** and reference "Docket Number: 14-31932-CON." Submit one (1) original and three (3) hard copies of your response. In addition, please submit a scanned copy of your response, in an Adobe format (.pdf) including all attachments on CD. If available, a copy of the response in MS Word should also be copied to the CD.

Pursuant to Section 19a-639a(c) of the Connecticut General Statutes, you must submit your response to this request for additional information no later than sixty days after the date that this request was transmitted. Therefore, please provide your written responses to OHCA no later than **February 10, 2015**, otherwise your application will be automatically considered withdrawn.

If you have any questions concerning this letter, please feel free to contact me at (860) 418-7014 or Paolo Fiducia at (860) 418-7035.

Sincerely,



Brian A. Carney  
Associate Research Analyst

\* \* \* COMMUNICATION RESULT REPORT ( DEC. 12. 2014 11:13AM ) \* \* \*

FAX HEADER:

TRANSMITTED/STORED : DEC. 12. 2014 11:12AM  
FILE MODE OPTION

ADDRESS

RESULT

PAGE

808 MEMORY TX

98604443741

OK

5/5

REASON FOR ERROR OR LINE FAIL  
E-1) HANG UP OR  
E-3) NO ANSWER

E-2) BUSY  
E-4) NO FACSIMILE CONNECTION



STATE OF CONNECTICUT  
OFFICE OF HEALTH CARE ACCESS

FAX SHEET

TO: MS. SHRADDHA PATEL  
DIRECTOR OF BUSINESS DEVELOPMENT AND PLANNING

FAX: (860) 444-3741

AGENCY: LAWRENCE+MEMORIAL HOSPITAL

FROM: OHCA

DATE: 12/12/14 Time: \_\_\_\_\_

NUMBER OF PAGES: 5  
*(including transmittal sheet)*

Comments: **Docket Number: 14-31932-CON**  
**2<sup>nd</sup> Completeness**

**PLEASE PHONE  
TRANSMISSION PROBLEMS**

**IF THERE ARE ANY**

Phone: (860) 418-7001

Fax: (860) 418-7053

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

## Greer, Leslie

---

**From:** Carney, Brian  
**Sent:** Tuesday, February 10, 2015 2:30 PM  
**To:** Greer, Leslie; Riggott, Kaila; Fiducia, Paolo  
**Subject:** FW: Docket Number 14-31932-CON  
**Attachments:** CON 14-31932 - Response to 12 12 14 Completeness Questions.docx; CON 14-31932 - Response to 12 12 14 Completeness Questions.pdf

FYI, received completeness response from L+M.

**Brian A. Carney, MBA**  
Associate Research Analyst  
Phone: (860) 418-7014

 Please consider the environment before printing this message

---

**From:** Kathleen Gedney [<mailto:kgg@bvmlaw.com>]  
**Sent:** Tuesday, February 10, 2015 2:21 PM  
**To:** Carney, Brian  
**Cc:** Michele AOL; Jennifer O'Donnell  
**Subject:** Docket Number 14-31932-CON

Good Afternoon Mr. Carney:

Attach please find Lawrence + Memorial Hospital and Associated Specialists of Southeastern Connecticut, Inc.'s response to OHCA's letter dated December 12, 2014 regarding Docket Number 14-31932-CON. As you recall from our phone call last week, you are permitting e-mail submission of this response. As you requested, we also are attaching a Word version.

Please confirm the receipt of these attachments.

Regards,

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

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advice contained in this e-mail may have been written to support the promotion or marketing of the transactions or matters discussed in this e-mail, every taxpayer should seek advice based on such taxpayer's particular circumstances from an independent tax advisor.

February 10, 2015

Via Email (Brian.Carney@ct.gov)

Brian A. Carney  
Associate Research Analyst  
Office of Health Care Access  
410 Capitol Avenue, MS#13HCA  
P.O. Box 340308  
Hartford, Connecticut 06134-0308



Re: Certificate of Need Application Docket Number 14-31932-CON  
Termination by Lawrence & Memorial Hospital of Outpatient Behavioral Medicine  
Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services and  
the establishment of these same services by Associated Specialists of Southeastern  
Connecticut, Inc. ("ASSECT") in 2008.

Dear Mr. Carney:

Below is Lawrence +Memorial Hospital, Inc. ("L+M") and Associated Specialists of  
Southeastern Connecticut, Inc.'s ("ASSECT") response to the Department of Public Health  
Office of Health Care Access's ("OHCA's") letter dated December 12, 2014.

- The following historical volumes for fiscal years ("FY") 2007-2012 by service were provided by the Applicants.**

Service	L+M	L+M (7/12) ASSECT (5/12)	ASSECT			
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Behavioral Medicine Visits	16,651	28,504	18,546	20,123	21,460	24,034
Diabetes Visits – Total	27,684	30,689	8,363	21,302	19,796	18,490
Diabetes Visits - Main Campus			4,917	12,485	11,336	10,952
Diabetes Visits - Mystic			2,672	6,887	6,248	6,061
Diabetes Visits - Old Saybrook			774	1,930	2,212	1,477
OB Clinic Visits Total	5,126	4,894	1,759	1,787	1,831	1,857
Infectious Disease Visits	7,140	10,325	4,573	6,516	7,761	8,110

- a. **Discrepancies exist between the historical volumes provided for L+M and ASSECT and the information contained in the payer mix tables (completeness responses, pp. 76-79). For example, the application (p. 7) reported the total number of Diabetes visits for FY 2007 as 27,684, while the completeness responses (p. 77) had a total of 25,671. Similarly, the application (p.10) lists the 2007 Medicaid payer mix for Diabetes as 35.14%, compared to 6.7% in the completeness responses (p. 77). Please reconcile all inconsistencies and resubmit the historical volumes in the format provided in Table 1.**

Volume information for 2007 and part of 2008 and payer mix information for 2007 was provided as requested in the CON application (Bates page 7 and 10) when the Hospital was the sole applicant. Both Hospital inpatient and outpatient volume was provided. In its letter dated August 28, 2014, OHCA requested that ASSECT be made an Applicant to the CON. Further, when OHCA added ASSECT as an Applicant, it also requested extended volume information and payer mix information for the timeframe following the ASSECT transfer (See Questions 4 and 4(a)). Both inpatient and outpatient volume was included in the response to Questions 4 and 4(a). However, when OHCA requested that the Applicant (now L+M and ASSECT) fill out payer mix tables (Question 5) it only requested that the payer mix tables include outpatient data only whereas Question 4 and 4(a) included inpatient and outpatient visits.

Therefore, inconsistencies exist between Table 1 and the payer mix tables because, as stated above, OHCA specified that the information supplied for the payer mix tables represent outpatient volume only.<sup>1</sup> Table 1, by contrast, reflects both provider inpatient and outpatient volume. It is therefore not possible for the Applicant to reconcile the differences in these tables as they reported different things.<sup>2</sup> The tables submitted however are both reflective of the same trend of consistent availability in the community of these services by the providers both before and after the billing entity change.

Please note the payer mix on Page 10 of the original application had a mathematical error that has been addressed with respect to Diabetes Visits payer mix. The 2007 Diabetes inpatient and outpatient payer mix is set forth below:

Medicare	Medicaid	Champus	HMO	Commercial	Blue Cross	Self-Pay
32.21%	6.76%	4.15%	19.97%	9.46%	25.64%	1.80%

<sup>1</sup> Please see OHCA's Letter dated August 28, 2014, p. 3. Of note, the payer mix table for Neonatology represents discharges only. Neonatology total inpatient visit volume was provided in the table on page 74 and neonatology discharge volume only was provided in appropriate payer mix table (Table 3D) on page 78.

<sup>2</sup> During the time period reported, billing for the professional component of these services was: (i) initially performed by the Hospital under its billing system, (ii) thereafter performed by a third-party vendor engaged by ASSECT using its own proprietary system, (iii) subsequently performed by a different third-party vendor using a new billing system implemented by ASSECT, and (iv) most recently has been performed directly by ASSECT internal billing staff. Data relating to periods in which billing was conducted by a third-party vendor using its own system exists in paper form only in reports provided by that vendor. Data is therefore not resident for this period of time in a common database. All information provided must be computed manually and without access to supporting detail for some periods other than what has been reported by former third-party billing vendors or information that has subsequently been purged from systems due to its age.

- b. For FY 2007 through FY 2012, provide a detailed explanation for any service volume total that reflected any significant changes in total volume compared to the previous year. Please annualize FY 2009 Diabetes visit total (figure 1 in Table 1 represents 6 months) in order to calculate the variance.**

As previously stated in the Applicant's CON Application (Bates page 7), certain increases in volume appearing in 2007 and 2008 data were due to the introduction of different third-party billing vendors and utilization of different practice management and billing software following the creation of ASSECT in mid-2008. It appears that an external third-party vendor calculated certain utilization figures in a different manner than the Hospital had utilized when it performed the professional billing on its system. The utilization of different practice management and billing software implemented by ASSECT may have calculated utilization data in a different manner than would have existed through the Hospital's systems. The Applicants have no other billing data available for this timeframe except that provided by these third-party vendors or generated by these systems. (Please refer to Footnote 2).

Additionally, OB Clinic visits decreased in 2007 and 2008 as a result of decreased demand and OB Clinic patients transitioning to community providers. As important, prior to transitioning patients to community providers, the Applicant supplied OHCA with a very detailed analysis of its proposed plan in 2006. OHCA was fully informed of the status of the OB Clinic and its plan and OHCA determined that no CON approval was necessary. Specifically, on October 17, 2006, OHCA sent L+M Determination 06-3054-DTR which stated that no CON was required to restructure the Clinic when the restructuring included (1) requiring Clinic patients to sign a form that indicates the patient is responsible for choosing a GYN provider in the community for follow-up care; (2) requiring uncomplicated OB patients with insurance (including Medicaid) coverage to select a OB provider on L+M's staff to be cared for outside the Clinic; and (3) the Clinic reducing its hours from 40 hours per week to 32 hours per week. In Determination 06-3054-DTR, OHCA acknowledged that the same services would be provided prior to the restructuring of the Clinic. OHCA found no termination of services. OHCA required the Hospital to submit quarterly reports for the next year to monitor the continuing access of patients. L+M complied fully with this request and on December 12, 2006, March 30, 2007, June 30, 2007 and September 30, 2007, L+M filed such quarterly reports in compliance with the Determination.

All other increases or decreases were the result of normal fluctuation in Hospital and ASSECT patient volume.

Please see the revised Table 1 below with the annualized FY 2009 volume.

Service	L+M	L+M (7/12) ASSECT (5/12)	ASSECT			
	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Behavioral Medicine Visits	16,651	28,504	18,546	20,123	21,460	24,034
Diabetes Visits – Total	27,684	30,689	16,726	21,302	19,796	18,490
Diabetes Visits - Main Campus			9,834	12,485	11,336	10,952
Diabetes Visits - Mystic			5,344	6,887	6,248	6,061
Diabetes Visits - Old Saybrook			1,548	1,930	2,212	1,477
OB Clinic Visits Total	5,126	4,894	1,759	1,787	1,831	1,857
Infectious Disease Visits	7,140	10,325	4,573	6,516	7,761	8,110

**2. Reconcile payer mix tables below with Table 1 totals for the following services: Behavioral Medicine, Diabetes, OB Clinic and Infectious Disease.**

As stated above in the Applicant's response to Question 1, inconsistencies between Table 1 and the payer mix tables are attributed to the fact that OHCA requested outpatient volume only for the payer mix tables while Table 1 reflects inpatient and outpatient data. The Applicants respectfully request that OHCA consider all the data that has already been provided to support the fact that no adverse consequence on access to services or the patient population served occurred as a result of the billing entity change.

**a. Explain any significant changes in payer mix that occurred from FY 2007-2012.**

Changes to the payer mix between 2007 and 2012 can be attributed to various factors. Contributing factors include normal fluctuation in Hospital and ASSECT patient volume, changing patient eligibility with government and commercial carriers, and changes in population demographics. Additionally, as stated above and in the Applicant's CON Application (Bates page 7), certain differences in 2007 and 2008 data were due to the introduction of different third-party billing vendors and billing software following the creation of ASSECT.

Some variation to the payer mix in the OB Clinic may be due, in part, to the OB Clinic visits decreasing in 2007 and 2008 and the Clinic transitioning OB Clinic patients to community providers. As indicated above in the Applicant's response to Question 1(b), OHCA has had consistent real time oversight and input for these and other changes in outpatient OB services. L+M has fully complied and disclosed all requested information regarding the OB Clinic at the time the changes were occurring. See all communication and files related to Certificate of Need file 04-30348, Determination 06-3054-DTR, and all 2010 correspondence.

3. Please provide a detailed explanation of the following statement on page 79 of the completeness responses. "The transfer of professional services from the Hospital to ASSECT did result in the reconciliation of certain *global billing complications* at the Hospital level." Describe what is meant by global billing complications.

As stated in the Applicant's CON Application, ASSECT was able to track and capture certain Medicaid reimbursements of professional services that were previously not available to the Hospital. By billing professional components through the newly formed ASSECT, L+M was able to separate billing for the professional and technical components of services for all payers. By separating the technical and professional billing components, L+M was able to obtain administrative efficiencies in the revenue cycle process that were previously unavailable, such as enabling financial review of the separate components of a service, use of different billing software solutions, and the option to outsource professional billing to vendors with expertise in that area.

Please contact the undersigned at 860-912-5324 if you have any questions or require additional information. Thank you.

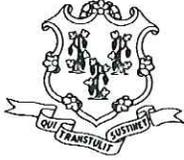
Very truly yours,



Shraddha Patel

Director of Business Development and Planning

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



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

March 12, 2015

VIA FACSIMILE ONLY

Ms. Shraddha Patel  
Director of Business Development and Planning  
Lawrence + Memorial Hospital, Inc.  
365 Montauk Avenue,  
New London, CT 06320

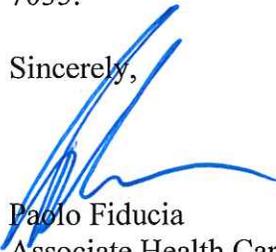
RE: Certificate of Need Application, Docket Number 14-31932-CON  
Termination by Lawrence + Memorial Hospital of Outpatient Behavioral Medicine  
Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services and  
the establishment of these same services by Associated Specialists of Southeastern  
Connecticut, Inc., ("ASSECT") in 2008.

Dear Ms. Patel:

This letter is to inform you that, pursuant to Section 19a-639a (d) of the Connecticut General  
Statutes, the Office of Health Care Access has deemed the above-referenced application  
complete as of March 12, 2015.

If you have any questions regarding this matter, please feel free to contact me at (860) 418-  
7035.

Sincerely,



Paolo Fiducia  
Associate Health Care Analyst

*An Equal Opportunity Provider*

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

\* \* \* COMMUNICATION RESULT REPORT ( MAR. 13. 2015 10:51AM ) \* \* \*

FAX HEADER:

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963	MEMORY TX		918604443741	OK	2/2

REASON FOR ERROR  
 E-1) HANG UP OR LINE FAIL  
 E-3) NO ANSWER

E-2) BUSY  
 E-4) NO FACSIMILE CONNECTION



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

**FAX SHEET**

**TO:** MS. SHRADDHA PATEL  
DIRECTOR OF BUSINESS DEVELOPMENT AND PLANNING

**FAX:** (860) 444-3741

**AGENCY:** LAWRENCE+MEMORIAL HOSPITAL

**FROM:** OHCA

**DATE:** 03/13/2015 **Time:** \_\_\_\_\_

**NUMBER OF PAGES:** 2  
*(including transmittal sheet)*

**Comments:**  
**Docket Number: 14-31932-CON**  
**Deemed Complete**

**PLEASE PHONE  
 TRANSMISSION PROBLEMS**

**IF THERE ARE ANY**

**Phone: (860) 418-7001**

**Fax: (860) 418-7053**

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



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

April 24, 2015

**IN THE MATTER OF:**

An Application for a Certificate of Need filed  
Pursuant to Section 19a-638, C.G.S. by:

Notice of Final Decision  
Office of Health Care Access  
Docket Number: 14-31932-CON

**Lawrence + Memorial Hospital and  
Associated Specialists of Southeastern  
Connecticut, Inc.**

**Termination by Lawrence + Memorial  
Hospital of Outpatient Behavioral  
Medicine Counseling, Obstetrics Clinic,  
HIV/AIDS Clinic and Joslin Diabetes  
Center services**

To:

Ms. Shradda Patel  
Director of Business Development and Planning  
Lawrence + Memorial Hospital, Inc.  
365 Montauk Avenue  
New London, CT 06320

Dear Ms. Patel:

This letter will serve as notice of the Final Decision of the Office of Health Care Access in the above matter, as provided by Section 19a-638, C.G.S. On April 24, 2015, the Final Decision was rendered as the finding and order of the Office of Health Care Access. A copy of the Final Decision is attached hereto for your information.

---

Kimberly R. Martone  
Director of Operations

Enclosure  
KRM:pf

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



**Department of Public Health  
Office of Health Care Access  
Certificate of Need Application**

**Final Decision**

**Applicants:** Lawrence+Memorial Hospital, Inc. and Associated Specialists of Southeastern Connecticut, Inc.  
365 Montauk Avenue, New London, CT 06320

**Docket Number:** 14-31932-CON

**Project Title:** Termination by Lawrence+Memorial Hospital of Outpatient Behavioral Medicine Counseling, Obstetrics Clinic, HIV/AIDS Clinic and Joslin Diabetes Center services

**Project Description:** Lawrence + Memorial Hospital, Inc. (“L+M”) and Associated Specialists of Southeastern Connecticut, Inc. (“ASSECT”), (herein referred to as “Applicants”) seek authorization for the termination by L+M of outpatient behavioral medicine counseling, obstetrics clinic, HIV/AIDS clinic and Joslin diabetes center services.

**Procedural History:** The Applicants published notice of their intent to file a Certificate of Need (“CON”) application in *The Day* (New London) on June 18, 19 and 20, 2014. On August 1, 2014, the Office of Health Care Access (“OHCA”) received the initial CON application from the Hospital for the above-referenced project. OHCA deemed the application complete on March 12, 2015. OHCA received no responses from the public concerning the Applicants’ proposal and no hearing requests were received from the public per Connecticut General Statutes (“Conn. Gen. Stat.”) § 19a-639a. Deputy Commissioner Brancifort considered the entire record in this matter.

## Findings of Fact and Conclusions of Law

To the extent the findings of fact actually represent conclusions of law, they should be so considered, and vice versa. *SAS Inst., Inc., v. S & H Computer Systems, Inc., 605 F.Supp. 816 (Md. Tenn. 1985)*.

1. L+M is a 308-bed acute-care hospital located at 365 Montauk Avenue, New London, Connecticut and a health care facility or institution as defined by Conn. Gen. Stat. § 19a-630. Ex. A, p. 2
2. On January 1, 2008, Associated Specialists of Southeastern Connecticut, Inc. (“ASSECT”), an active, tax-exempt non- stock corporation, was established by the Hospital as a wholly owned entity. Both ASSECT and the Hospital are affiliates of Lawrence + Memorial Corporation. Ex. A, p. 2
3. The Hospital has historically offered numerous services at various locations within its primary service area including, but not limited to certain behavioral health counseling professional services, diabetes professional services through an association with the Joslin Diabetes Clinic at the Harvard Medical School in Boston, OB/GYN Clinic professional services, neonatology professional services and Infectious Disease professional services (collectively, the “Terminated/Established Professional Services”). Ex. A, p. 2
4. Prior to April 1, 2008, the Hospital billed and received reimbursement for the Terminated/Established Professional Services. On April 1, 2008, the Hospital terminated the Outpatient Behavioral Medicine Counseling, Obstetrics Clinic, HIV/Aids Clinic, and the Joslin Diabetes Center services. Concurrently, ASSECT established and began billing and receiving reimbursement for these same health care services. Ex. A, p. 3
5. Only the physician/professional components of the Terminated/Established Professional Services were moved to ASSECT. Ex. A, p. 4
6. The move of the Terminated/Established Professional Services from the Hospital to ASSECT allowed ASSECT to track and capture Medicaid reimbursements for professional services that were not previously available to the Hospital. Ex. A, p. 10-11, 60
7. Because ASSECT was now being reimbursed for professional services, the change made it more cost effective to provide services to Medicaid patients. Ex. A, p. 11
8. All services provided by the Hospital continued to be provided by ASSECT. No immediate change to the location of services, patient base, population served or hours of operation were made as a direct result of the billing entity change from the Hospital to ASSECT. The same physicians and professionals continued to provide the same health care services. Ex. A, p. 3
9. Subsequent to the reestablishment of services by ASSECT, the Obstetrics Clinic was relocated from the Hospital’s main campus to 470 Bank Street, New London. In addition, outpatient behavioral medicine counseling services were also moved off campus to new

locations in New London, Niantic, Pawcatuck, and Ledyard. L+M response to OHCA inquiry dated January 17, 2013, p. 3

10. Following the relocation, ASSECT provided outpatient behavioral medicine counseling (individual and group therapy) at the new locations. In addition, the OB Clinic extended its hours of operation and patients were given access to providers via telephone. L+M response to OHCA inquiry dated January 17, 2013, p. 3
11. L+M's service area towns include: East Lyme, Groton, Ledyard, Lyme, Montville, New London, North Stonington, Old Lyme, Stonington and Waterford. Ex. B, pp. 71-73
12. The Terminated/Established services, along with the location and hours of operation of the service are shown in the table below:

**TABLE 1**  
 TERMINATED/ESTABLISHED SERVICES

<b>Terminated/Established Professional Service</b>	<b>Location</b>	<b>Hours of Operation</b>
Behavioral Health Professional Services	Main Campus	24/7
Joslin Diabetes Clinic - Main Campus	Main Campus	24/7
Joslin Diabetes Clinic - Mystic	Mystic	Monday-Friday, 9am-5pm.
Joslin Diabetes Clinic - Old Saybrook	Old Saybrook	Monday-Friday, 9am-5pm.
OB/GYN Clinic	Main Campus	Monday-Friday, 9am-5pm.
Neonatology Professional Services	Main Campus	24/7
Infectious Disease professional Services	Main Campus	24/7
Physician Assistant Surgical Services	Main Campus	24/7

Ex. A, p. 3

13. The Applicants' historical volumes for fiscal years ("FY") 2007-2012 is shown in the table below:

**TABLE 3**  
**APPLICANTS' HISTORICAL VISITS BY FISCAL YEAR\***

Service	L+M	L+M/ ASSECT	ASSECT			
	FY 2007	FY 2008**	FY 2009	FY 2010	FY 2011	FY 2012
Behavioral Medicine Visits	16,651	28,504	18,546	20,123	21,460	24,034
Diabetes Visits-Total***	27,684	30,689	8,363	21,302	19,796	18,490
Diabetes Visits-Main Campus***			4,917	12,485	11,336	10,952
Diabetes Visits-Mystic***			2,672	6,887	6,248	6,061
Diabetes Visits-Old Saybrook***			774	1,930	2,212	1,477
OB Clinic Visits Total	5,126	4,894	1,759	1,787	1,831	1,857
Neonatology Visits	****	****	2,875	3,337	4,539	4,130
Infectious Disease Visits	7,140	10,325	4,573	6,516	7,761	8,110
P/A Surgical Procedures	3,744	5,174	3,522	3,136	3,113	4,598

\*The fiscal year is from October 1 to September 30

\*\*FY 2008 includes seven (7) months of Hospital billed services (October 1-April 30) and five (5) months of ASSECT billed services (May 1-September 30)

\*\*\*FY 2009 represents only six months of data (04/01/09-09/30/09)

NOTE: Certain increases in volume from FY 2007 to FY 2008 were due to L+M using a different third party vendor that calculated utilization differently than the Hospital's vendors from other years, resulting in increased utilization figures for those years.

Ex. A, p. 7; Ex. B, pp. 74-75; Ex. C, p. 86

14. Diabetes volume at the individual locations and by provider shifted because ASSECT added diabetes service locations and relocated providers to new locations within the service area to address community needs and eliminate the financial burden of keeping some locations open. Ex. B. p. 75

15. OB Clinic visit volume dropped significantly in FY 2009 as a result of improved reimbursement rates for government programs and payers. Following these changes in reimbursement, women in the community were more easily able to obtain treatment with individual providers, resulting in significantly less volume at the OB Clinic. L+M response to OHCA inquiry dated March 11, 2013, p. 2

16. There is no capital expenditure associated with this proposal. Ex. A, p. 9

17. ASSECT incurred incremental losses from FY 2008 to FY 2011 as a result of the proposal.

**TABLE 4**  
 ASSECT INCREMENTAL REVENUE AND EXPENSES ASSOCIATED WITH THE PROPOSAL

	<b>FY 2008<sup>1</sup></b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Revenue from Operations	\$5,328,924	\$3,911,729	\$7,768,853	\$6,495,770
Total Operating Expenses	\$7,636,025	\$13,004,230	\$16,747,092	\$16,406,983
Gain/(Loss) from Operations	(\$2,307,101)	(\$9,092,501)	(\$8,978,239)	(\$9,911,213)

The fiscal year is from October 1 to September 30

<sup>1</sup>ASSECT began billing for the Terminated/Established Professional Services on April 1, 2008 (represents 6 months of the fiscal year)

Ex. A. p. 65

18. As a result of the proposal, the Hospital reported increasing gains from operations from FY 2007 to FY 2011.

**TABLE 5**  
 HOSPITAL HISTORICAL REVENUE AND EXPENSES ASSOCIATED WITH THE PROPOSAL

	<b>FY 2007</b>	<b>FY 2008<sup>1</sup></b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
Revenue from Operations	\$262,470,539	\$272,243,623	\$288,946,322	\$316,652,813	\$329,937,702
Total Operating Expenses	\$258,243,727	\$265,230,570	\$273,416,544	\$294,705,877	\$307,331,285
Gain/(Loss) from Operations	\$4,226,812	\$7,013,053	\$15,529,778	\$21,946,936	\$22,606,418

The fiscal year is from October 1 to September 30

<sup>1</sup>ASSECT began billing for the Terminated/Established Professional Services on April 1, 2008 (represents 6 months of the fiscal year)

19. The Applicants' payer mix before and after the transfer for each service is as follows:

**TABLE 6**  
 APPLICANTS' PAYER MIX, PRE- AND POST-TRANSFER

Service	Medicare		Medicaid		Champus & TriCare		Commercial		Uninsured		Workers Comp	
	FY 07	FY 09	FY 07	FY 09	FY 07	FY 09	FY 07	FY 09	FY 07	FY 09	FY 07	FY 09
Behavioral Medicine Visits	25.9%	30.9%	25.0%	21.2%	4.2%	4.3%	42.6%	40.0%	1.7%	3.5%	0.7%	0.1%
Diabetes Visits	32.2%	33.5%	6.7%	8.1%	4.1%	1.4%	55.1%	55.0%	1.8%	2.0%	0.0%	0.0%
OB Clinic Visits	0.8%	0.0%	61.0%	88.0%	0.0%	0.0%	4.8%	11.0%	33.3%	1.0%	0.0%	0.0%
Neonatology Discharges	0.0%	0.5%	34.4%	33.4%	16.1%	26.6%	46.6%	33.1%	2.8%	6.4%	0.0%	0.0%
Infectious Disease Visits	40.7%	46.6%	13.8%	18.9%	2.5%	2.7%	38.3%	28.2%	3.2%	3.0%	1.4%	0.4%
PA Surgical Procedures	28.8%	35.6%	12.3%	13.1%	7.0%	4.5%	48.0%	42.4%	2.1%	3.3%	1.9%	1.1%

The fiscal year is from October 1 to September 30. Ex. B, pp. 76-79

20. After the transfer, ASSECT continued to accept all the same payers, including Medicaid recipients and indigent persons. Ex. A, p. 5, 10
21. Charity care continued to be available through the Charity Care Policy adopted by ASSECT upon its formation. Ex. A, p. 5
22. The proposal is cost effective because it allowed the Hospital and ASSECT to capture lost revenue streams and address decreasing provider reimbursement rates while continuing to provide coordinated and integrated care to patients in the Hospital service area. Ex. A, p. 12
23. OHCA is currently in the process of establishing its policies and standards as regulations. Therefore, OHCA has not made any findings as to this proposal's relationship to any regulations not yet adopted by OHCA. (Conn. Gen. Stat. § 19a-639(a)(1))
24. This CON application is consistent with the overall goals of the Statewide Health Care Facilities and Service Plan. (Conn. Gen. Stat. § 19a-639(a)(2))
25. The Applicants have established that there is a clear public need for its proposal. (Conn. Gen. Stat. § 19a-639(a)(3))
26. The Applicants have demonstrated that the proposal is financially feasible. (Conn. Gen. Stat. § 19a-639(a)(4))
27. The Applicants have satisfactorily demonstrated that access to services in the region is maintained for the relevant patient populations. (Conn. Gen. Stat. § 19a-639(a)(5))
28. The Applicants have shown that there is no adverse change in the provision of health care services to the relevant populations and payer mix, including Medicaid patients and indigent persons. (Conn. Gen. Stat. § 19a-639(a)(6))
29. The Applicants have satisfactorily identified the population affected by this proposal. (Conn. Gen. Stat. § 19a-639(a)(7))
30. The Applicants' historical provision of care in the service area supports this proposal. (Conn. Gen. Stat. § 19a-639(a)(8))
31. The Applicants have satisfactorily demonstrated that this proposal would not result in an unnecessary duplication of existing services in the area. (Conn. Gen. Stat. § 19a-639(a)(9))
32. The Applicants have demonstrated that access to services by Medicaid recipients or indigent persons will be maintained. (Conn. Gen. Stat. § 19a-639(a)(10))

33. The Applicants have satisfactorily demonstrated that the proposal would not result in a negative impact on the diversity of health care providers in the area. (Conn. Gen. Stat. § 19a-639(a)(11))
34. The Applicants have satisfactorily demonstrated that its proposal would not result in any consolidation. (Conn. Gen. Stat. § 19a-639(a)(12))

## Discussion

CON applications are decided on a case by case basis and do not lend themselves to general applicability due to the uniqueness of the facts in each case. In rendering its decision, OHCA considers the factors set forth in Conn. Gen. Stat. § 19a-639(a). The Applicant bears the burden of proof in this matter by a preponderance of the evidence. *Jones v. Connecticut Medical Examining Board*, 309 Conn. 727 (2013).

Lawrence+Memorial Hospital, (“L+M” or “Hospital”) a 308-bed acute-care hospital in New London, Connecticut, has historically offered numerous professional services at various locations within its primary service area including behavioral health counseling, diabetes, OB/GYN Clinic, neonatology and infectious disease services (collectively, the “Terminated/Established Professional Services”). *FF1,3*

On January 1, 2008, the Hospital established Associated Specialists of Southeastern Connecticut, Inc. (“ASSECT”), an active, tax-exempt non-stock corporation, as a wholly owned entity. Both ASSECT and the Hospital are affiliates of Lawrence + Memorial Corporation. *FF2* Prior to April 1, 2008, the Hospital billed and received reimbursement for the Terminated/Established Professional Services. On April 1, 2008, the Hospital terminated the Outpatient Behavioral Medicine Counseling, Obstetrics Clinic, HIV/Aids Clinic, and the Joslin Diabetes Center services. Concurrently, ASSECT established and began billing and receiving reimbursement for these same health care services. *FF4*

Only the physician/professional components of the Terminated/Established Professional Services were moved to ASSECT. *FF5* All services provided by the Hospital continued to be provided by ASSECT following the move. No immediate change to the location of services, patient base, population served or hours of operation were made as a result of the billing entity change from the Hospital to ASSECT. The same physicians and professionals continued to provide the Terminated/Established Professional Services, providing continuity of care for patients. *FF8*

Subsequent to the transfer, the Obstetrics Clinic was relocated from the Hospital’s main campus to 470 Bank Street, New London. In addition, outpatient behavioral medicine counseling services were also moved off campus to new locations in New London, Niantic, Pawcatuck, and Ledyard. *FF9* Following the relocation, ASSECT provided outpatient behavioral medicine counseling (individual and group therapy) at the new locations. In addition, the OB Clinic extended its hours of operation and patients were given access to providers via telephone. *FF10*

After the transfer, ASSECT continued to accept all the same payers, including Medicaid recipients and indigent persons. *FF20* Charity care continued to be available through the Charity Care Policy adopted by ASSECT upon its formation. *FF25* As there was no reduction in the types of services offered, number of locations or hours of operation, all patients were able to access the same services following the Terminated/Established Professional Services. *FF8, FF19* In general, patient volumes and payer mix remained constant. *FF13, FF19* Therefore, OCHA concludes that access was maintained.

The effect of the Terminated/Established Professional Services was cost effective, as it allowed the Hospital and ASSECT to capture lost revenue streams and address decreasing provider reimbursement rates, while continuing to provide coordinated and integrated care to area patients. *FF6, FF22* Following the billing entity change, the Hospital experienced increased gains from operations. *FF18* Thus, OHCA finds the proposal financially feasible.

The Applicants have satisfactorily demonstrated that access has been maintained as a result of this proposal and that the quality of care will be maintained in a cost-effective manner, which is consistent with the goals of the Statewide Health Care Facilities and Services Plan.

## Order

Based upon the foregoing Findings and Discussion, the Certificate of Need application of Lawrence + Memorial Hospital, Inc. ("L+M") and Associated Specialists of Southeastern Connecticut, Inc. ("ASSECT"), for the termination by L+M of outpatient behavioral medicine counseling, obstetrics clinic, HIV/AIDS clinic and Joslin diabetes center services is hereby **APPROVED**.

All of the foregoing constitutes the final order of the Office of Health Care Access in this matter.

By Order of the  
Department of Public Health  
Office of Health Care Access

April 24, 2015  
Date

Janet M. Brancifort  
Janet M. Brancifort, MPH  
Deputy Commissioner

\* \* \* Communication Result Report ( Apr. 27. 2015 10:32AM ) \* \* \*

1) OHCA-98604187054  
2)

Date/Time: Apr. 27. 2015 10:31AM

File No.	Mode	Destination	Pg(s)	Result	Page Not Sent
0141	Memory TX OHCA	98604443741	P. 12	OK	

Reason for error

E. 1) Hang up or line fail	E. 2) Busy
E. 3) No answer	E. 4) No facsimile connection
E. 5) Exceeded max. E-mail size	E. 6) Destination does not support IP-Fax



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

FAX SHEET

TO: Shradha Patel

FAX: 860 444-3741

AGENCY: Lawrence + Memorial

FROM: OHCA

DATE: 4/27/15 Time: \_\_\_\_\_

NUMBER OF PAGES: \_\_\_\_\_  
(including transmitted sheet)

Comments: Final Decision for DR: 14-31932

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

Phone: (860) 418-7001 Fax: (860) 418-7053

410 Capitol Ave., MSB13HCA  
P.O. Box 340368  
Hartford, CT 06134

## Huber, Jack

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**From:** Patel, Shraddha <spatel@lmhosp.org>  
**Sent:** Thursday, April 30, 2015 11:56 AM  
**To:** Huber, Jack  
**Subject:** RE: Notice of CON Expiration Date for the Decision Rendered under Docket Number: 14-31932-CON

Thank you Jack for your email and note.

Have a great day too.

Shraddha

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**From:** Huber, Jack [mailto:Jack.Huber@ct.gov]  
**Sent:** Thursday, April 30, 2015 11:49 AM  
**To:** Patel, Shraddha  
**Subject:** FW: Notice of CON Expiration Date for the Decision Rendered under Docket Number: 14-31932-CON

Dear Shraddha – Karen Roberts has asked that I retrieve this communication from you. Please disregard this notification, based on the timing elements regarding this matter. To be honest - my natural inclination regarding this notification was not to convey it to you, as I thought it to be overly bureaucratic. I guess I should have followed my instincts. Have a pleasant afternoon. Jack

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**From:** Huber, Jack  
**Sent:** Thursday, April 30, 2015 11:22 AM  
**To:** [spatel@lmhosp.org](mailto:spatel@lmhosp.org)  
**Cc:** Roberts, Karen  
**Subject:** Notice of CON Expiration Date for the Decision Rendered under Docket Number: 14-31932-CON

Dear Ms. Patel:

On April 24, 2015, in a final decision under Docket Number: 14-31932-CON, the Office of Health Care Access authorized a Certificate of Need ("CON") to Lawrence + Memorial Hospital for the termination of outpatient behavioral medicine counseling, obstetrics clinic, HIV/AIDS clinic and Joslin diabetes center services. Pursuant to Section 19a-639b of the Connecticut General Statutes ("C.G.S."), "*a certificate of need shall be valid for two years from the date of issuance by this office.*"

With this letter, please be advised that pursuant to Section 19a-639b, C.G.S., the current CON authorization issued under Docket Number: 14-31932-CON will expire on April 24, 2017. Please contact me at (860) 418-7069 or Karen Roberts, Principal Health Care Analyst at (860) 418-7041, if you have any questions regarding this notification.

Sincerely,

*Jack A. Huber*

Jack A. Huber  
Health Care Analyst