

Greer, Leslie

Subject: FW: PDFs - Cover Letter & Determination
Attachments: Saint_Mary's_CON_Determination.pdf;
Saint_Mary's_Cover_Letter_for_CON_Determination.pdf

From: klg1@aol.com [<mailto:klg1@aol.com>]
Sent: Tuesday, July 08, 2014 4:00 PM
To: Martone, Kim
Subject: Fwd: PDFs - Cover Letter & Determination

Hi Kim,

Attached are copies of the Determination Letter and cover letter from Bob Anthony regarding the application for conversion of Saint Mary's Health System, Inc. and Tenet Healthcare Corporation. The affidavits should be ready tomorrow, at which time the applicants will file the official documents. If you have any questions, please feel free to call.

Pat

The Law Office of Patricia A. Gerner, LLC
240 Ramstein Road
P.O. Box 209
New Hartford, CT 06057
Phone:(860) 794-1907
Email: klg1@aol.com

-----Original Message-----

From: Mercier, Carlene M. <CMercier@brownrudnick.com>
To: 'KLG1@aol.com' (<KLG1@aol.com>) <KLG1@aol.com>
Sent: Tue, Jul 8, 2014 12:41 pm
Subject: PDFs - Cover Letter & Determination

Hi Pat,

I got your voicemails and made the 2 corrections to the CON you mentioned. Attached are the final PDFs for you to pass on. I'll send them out for Affidavit signatures.

For tomorrow - do you know if we need to file multiple hard copies or an electronic copy? Also, I assume both get original cover letters but OHCA gets the original CON and the AG gets a copy.

Thanks!



Carlene M. Mercier
Paralegal
Brown Rudnick LLP
CityPlace 1 185 Asylum Street
Hartford, CT 06103
T: 860.509.6538
F: 860.509.6501
www.brownrudnick.com

ROBERT J. ANTHONY, ESQ.
direct dial: 860-509-6517
e-mail: ranthony@brownrudnick.com
<http://www.brownrudnick.com>



July 9, 2014

VIA HAND DELIVERY

The Honorable George C. Jepsen
Attorney General
Office of the Attorney General
55 Elm Street
Hartford, CT 06106

The Honorable Jewel Mullen
Commissioner
Department of Public Health
Office of Health Care Access
410 Capitol Avenue
Hartford, CT 06134

Re: Saint Mary's Health System, Inc.

Dear Attorney General Jepsen and Commissioner Mullen:

Please be advised that Brown Rudnick represents Saint Mary's Health System, Inc. and its affiliated entities (collectively, "Saint Mary's") in connection with the transfer of substantially all of its assets, including, Saint Mary's Hospital, Inc., to a to-be-formed subsidiary of Tenet Healthcare Corporation ("Tenet"). Please accept the enclosed Determination Letter submitted by Saint Mary's and Tenet to begin the approval process for the proposed transaction as required under Conn. Gen. Stat. §19a-486 et. seq.

Saint Mary's decision to join the network of Tenet Hospitals is the culmination of an intensive, multi-year review and evaluation process. The proposed transfer will allow Saint Mary's to meet its ongoing commitments to the communities it serves, and carry forward its vision of providing lower-cost, high quality, community-based health care. In addition, once the transaction is completed Saint Mary's Foundation will receive a significant cash infusion to support local health needs.

Saint Mary's will continue to retain its name, honor its Catholic heritage and adhere to the Ethical and Religious Directives for Catholic Health Care Services. It will also continue to operate in accordance with the "community benefit standards" required of tax exempt hospitals (as set forth in Revenue Ruling 69-545) and abide by its current charity and uncompensated care

The Honorable George C. Jepsen
The Honorable Jewel Mullen.
July 8, 2014
Page 2

policies. A local advisory board will be established and include members from the local community to ensure meaningful input and oversight of Saint Mary's operations.

Tenet, a leading, national health care services company operating 79 hospitals brings capital and expertise to support Saint Mary's as it plans for the coming changes in the industry including health reform, declining reimbursements and the continuing instability of the credit markets. As a result of this transaction, Saint Mary's will be better positioned to continue to maintain superior healthcare services in an affordable and accessible manner for residents of the greater Waterbury area.

We kindly request that the appearance of Brown Rudnick be entered for matters conducted both at the Office of the Attorney General and the Department of Public Health, Office of Health Care Access. We look forward to working with your offices on the details of the proposed transaction in order to reach a successful conclusion that will ensure continuity of healthcare services throughout Saint Mary's Health System.

Thank you for your consideration and please feel free to contact me if you have any questions.

Very truly yours,

BROWN RUDNICK LLP

By: _____
Robert J. Anthony

RJA:ct

cc: Chad Wable, President and CEO, Saint Mary's
Trip Pilgrim, Senior Vice President of Development, Tenet
Jeffrey Peterson, Senior Counsel, Tenet

61682018



State of Connecticut Office of Health Care Access CON Determination Form Form 2020

All persons who are requesting a determination from OHCA as to whether a CON is required for their proposed project must complete this Form 2020. The completed form should be submitted to the Director of the Office of Health Care Access, 410 Capitol Avenue, MS#13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If this proposal has more than two Petitioners, please attach a separate sheet, supplying the same information for each Petitioner in the format presented in the following table.

	Petitioner	Petitioner
Full Legal Name	Saint Mary's Health System, Inc.	Tenet Healthcare Corporation
Doing Business As	Saint Mary's Hospital	VHS of Connecticut, LLC and VHS Saint Mary's Health System, LLC
Name of Parent Corporation	Saint Mary's Health System, Inc.	Tenet Healthcare Corporation
Petitioner's Mailing Address, if Post Office (PO) Box, include a street mailing address for Certified Mail	56 Franklin Street, Waterbury, CT 06706	1445 Ross Ave. Suite 1400 Dallas, Texas 75202
What is the Petitioner's Status: P for profit and NP for Nonprofit	NP	P

Contact Person at Facility , including Title/Position: This Individual at the facility will be the Petitioner's Designee to receive all correspondence in this matter.	Chad Wable, President and CEO	Jeffrey Peterson, Senior Counsel
Contact Person's Mailing Address, if PO Box, include a street mailing address for Certified Mail	Saint Mary's Hosp. 56 Franklin Street Waterbury, CT 06706	1445 Ross Ave. Suite 1400 Dallas, Texas 75202
Contact Person's Telephone Number	(203) 709-3368	(469) 893-6104
Contact Person's Fax Number	(203) 709-3066	(469) 893-7104
Contact Person's e-mail Address	cwable@stmh.org	jeff.peterson@ tenethealth.com
Additional Contact Person: Please send a copy of all correspondence and documents related to this file to:	Robert J. Anthony, Esq., Brown Rudnick, LLP CityPlace I 185 Asylum Street Hartford, CT 06103	Collin P. Baron, Esq., Pullman & Comley, LLC 850 Main Street P.O. Box 7006 Bridgeport, CT 06601-7006

SECTION II. GENERAL PROPOSAL INFORMATION

a. Proposal/Project Title:

Asset Purchase Agreement between Saint Mary's Health System, Inc.
and a to-be-formed subsidiary of Tenet Healthcare Corporation

b. Estimated Total Project Cost:

\$150,000,000 (asset purchase price) and \$85,000,000 over a period of seven years (commitment for capital expenditures and service improvements in the greater Waterbury area).

- c. Location of proposal, identifying Street Address, Town and Zip Code:
Saint Mary's Health System; 56 Franklin Street, Waterbury, CT 06706.
- d. List each town this project is intended to serve:
Saint Mary's primary service area towns include Naugatuck, Prospect, Waterbury and Wolcott. Saint Mary's secondary service area towns include Beacon Falls, Bethlehem, Cheshire, Middlebury, Morris, Oakville, Oxford, Plantsville, Plymouth, Southbury, Terryville, Thomaston, Watertown, and Woodbury.
- e. Estimated starting date for the project:
Following regulatory approval and satisfaction of other closing conditions.

SECTION IV. PROPOSAL DESCRIPTION

Please provide a description of the proposed project, highlighting each of its important aspects, on at least one, but not more than two separate 8.5" X 11" sheets of paper. At a minimum each of the following elements need to be addressed, if applicable:

1. If applicable, identify the types of services currently provided and provide a copy of each Department of Public Health license held by the Petitioner.
2. Identify the types of services that are being proposed and what DPH licensure categories will be sought, if applicable.
3. Identify the current population served and the target population to be served.

Saint Mary's Health System, Inc. ("Saint Mary's") is a Connecticut tax-exempt, non-profit corporation. On behalf of itself and its affiliates, including Saint Mary's Hospital, Inc., Saint Mary's proposes to sell substantially all of its assets, including Saint Mary's Hospital (the "Hospital") to a to-be-formed subsidiary of Tenet Healthcare Corporation ("Tenet"), a for-profit corporation, pursuant to an Asset Purchase Agreement ("Agreement") negotiated between the parties.

Subject to closing adjustments, Tenet will pay One Hundred and Fifty Million Dollars (\$150,000,000) for Saint Mary's assets and, in addition, will commit to spend over a period of seven years no less than Eighty Five Million (\$85,000,000) on capital expenditures and service

improvements in the greater Waterbury area, including *inter alia*, routine and non-routine capital expenditures, ongoing and deferred maintenance, creation of a physician platform, expansion and integration of clinical and information technology, quality improvement programs, and expenditures for new equipment or equipment replacement. Tenet will establish VHS Saint Mary's Health System, LLC, and its parent, VHS of Connecticut, LLC, in order to effect the acquisition and ownership of the Hospital and the other acquired assets.

The Hospital, which is the single most important asset of St. Mary's, is an acute care facility with 347 licensed beds located in downtown Waterbury, CT. The Hospital serves over 18 towns in the greater Waterbury area, with the greatest concentration being those patients who live in the city of Waterbury. Those towns are listed in Section II (d) *infra*. No service changes are requested.

Under the proposed Agreement, Saint Mary's will continue to retain its name, its Catholic identity and adherence to the Ethical and Religious Directives for Catholic Health Care Services. The Hospital will also continue to operate in accordance with the "community benefit standards" required of tax exempt hospitals (as set forth in Revenue Ruling 69-545) including, without limitation, the (i) acceptance of all Medicare and Medicaid patients, (ii) acceptance of all emergency patients without regard to age, race, gender or ability to pay, (iii) maintenance of an open medical staff, (iv) provision of public health programs of educational benefit to the community, and (v) general promotion of public health, wellness, and welfare to the community through the provision of healthcare at a reasonable cost.

By entering into the proposed Agreement with Tenet, Saint Mary's will be able to assure satisfaction of its debt and pension obligations. As a result, Saint Mary's will be better positioned to expand cost control initiatives in community-based settings, and remain a lower-cost, high-quality provider for the patients in its service area.

A copy of the license for Saint Mary's Hospital is attached as Exhibit A. There are no other licensed facilities involved in the Agreement that hold separate licenses from the Department of Public Health ("DPH").

SECTION V. AFFIDAVIT

Petitioner: Saint Mary's Health System, Inc. and Tenet Healthcare Corporation

Project Title: Asset Purchase Agreement

I, Chad Wable, President and Chief Executive Officer of Saint Mary's Health System, Inc., being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.

Signature

Date

Subscribed and sworn to before me

on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

SECTION V. AFFIDAVIT

Petitioner: Saint Mary's Health System, Inc. and Tenet Healthcare Corporation

Project Title: Asset Purchase Agreement

I, Trip Pilgrim, Senior Vice President, Development of Tenet Healthcare Corporation, being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.

Signature

Date

Subscribed and sworn to before me

on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

EXHIBIT A

*(Most recent DPH License for Saint Mary's
Hospital
to be added here).*

61683763 v1-WorksiteUS-030953/0001

ROBERT J. ANTHONY, ESQ.
direct dial: 860-509-6517
e-mail: ranthony@brownrudnick.com
<http://www.brownrudnick.com>



185 Asylum
Street
Hartford
Connecticut
06103
tel 860.509.6500
fax 860.509.6501

July 9, 2014

VIA HAND DELIVERY

The Honorable George C. Jepsen
Attorney General
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55 Elm Street
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The Honorable George C. Jepsen
The Honorable Jewel Mullen
July 9, 2014
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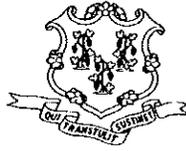
BROWN RUDNICK LLP

By: Robert J. Anthony / cn
Robert J. Anthony

RJA:ct

cc: Chad Wable, President and CEO, Saint Mary's
Trip Pilgrim, Senior Vice President of Development, Tenet
Jeffrey Peterson, Senior Counsel, Tenet

61682018



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Contact Person's e-mail Address	cwable@stmh.org	jeff.peterson@ tenethealth.com
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A copy of the license for Saint Mary's Hospital is attached as Exhibit A. There are no other licensed facilities involved in the Agreement that hold separate licenses from the Department of Public Health ("DPH").

SECTION V. AFFIDAVIT

Petitioner: Saint Mary's Health System, Inc. and Tenet Healthcare Corporation

Project Title: Asset Purchase Agreement

I, Chad Wable, President and Chief Executive Officer of Saint Mary's Health System, Inc., being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.


Signature

7/8/14
Date

Subscribed and sworn to before me

on July 8, 2014


Notary Public/~~Commissioner of Superior Court~~

VICTORIA CIPRIANO
NOTARY PUBLIC
My commission expires: MY COMMISSION EXPIRES FEB. 28, 2017

SECTION V. AFFIDAVIT

Petitioner: Saint Mary's Health System, Inc. and Tenet Healthcare Corporation

Project Title: Asset Purchase Agreement

I, Harold H. Pilgrim, Senior Vice President, Development of Tenet Healthcare Corporation, being duly sworn, depose and state that the information provided in this CON Determination form is true and accurate to the best of my knowledge.

Harold H. Pilgrim
Signature

7/8/2014
Date

Subscribed and sworn to before me
on July 8, 2014

Deborah K. Daley
Notary Public/Commissioner of Superior Court

My commission expires: 9-23-14

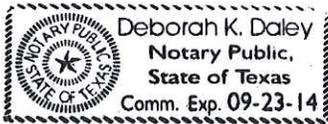


EXHIBIT A

STATE OF CONNECTICUT

Department of Public Health

LICENSE

LICENSE NO. 0055

General Hospital

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

Saint Mary's Hospital, Inc. of Waterbury, CT d/b/a Saint Mary's Hospital, Inc. is hereby licensed to maintain and operate a General Hospital.

Saint Mary's Hospital, Inc. is located at 56 Franklin Street, Waterbury, CT 06702.

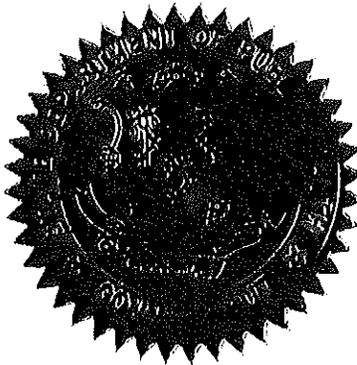
The maximum number of beds shall not exceed at any time:

32 Bassinets
347 General Hospital Beds

This license expires **December 31, 2014** and may be revoked for cause at any time.
Dated at Hartford, Connecticut, January 1, 2013. RENEWAL.

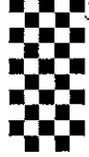
Satellites:

Saint Mary's Department of Behavioral Health Care Services, 100 Jefferson Square, Waterbury, CT
Naugatuck Valley Surgical Center, 160 Robbins Street, Waterbury, CT

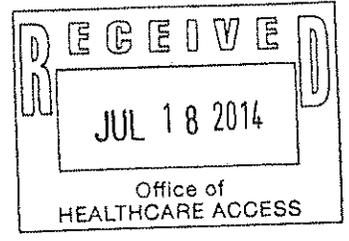


Jewel Mullen MD

Jewel Mullen, MD, MPH, MPA
Commissioner



**PULLMAN & COMLEY
ATTORNEYS AT LAW
850 MAIN STREET
P.O. BOX 7006
BRIDGEPORT, CONNECTICUT 06601-7006
TEL. (203) 330-2000 — FAX (203) 330-2089**



FACSIMILE MESSAGE COVER PAGE

DATE: July 17, 2014
RECEIVER: The Hon. George C. Jepsen (860) 808-5387
The Hon. Jewel Mullen (860) 418-7053
SENDER: Collin Baron and Rand Mathieson
NUMBER OF PAGES W/COVER PAGE: 2
OPERATOR: Darlene M. Bruhin
PHONE NO.: (203) 330-2221

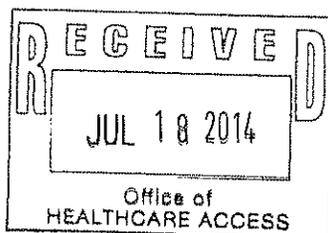
CONFIDENTIALITY NOTE:

THE INFORMATION CONTAINED IN THIS TELEFACSIMILE IS CONFIDENTIAL AND PRIVILEGED, AND IS INTENDED ONLY FOR THE USE OF THE NAMED RECEIVER. IF YOU ARE NOT THE NAMED RECEIVER OR THE PERSON RESPONSIBLE FOR DELIVERING THIS TELEFACSIMILE TO THE NAMED RECEIVER, YOU ARE NOTIFIED THAT ANY USE OF THIS TELEFACSIMILE OR ITS CONTENTS, INCLUDING ANY DISSEMINATION OR COPYING, IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS FACSIMILE IN ERROR, PLEASE IMMEDIATELY NOTIFY PULLMAN & COMLEY BY TELEPHONE AT (203) 330-2000, AND RETURN THE ORIGINAL TO US AT THE ABOVE ADDRESS, VIA MAIL. WE WILL REIMBURSE YOUR TELEPHONE AND POSTAGE EXPENSE FOR DOING SO. THANK YOU.

MESSAGE: *****

**PULLMAN
& COMLEY** LLC
ATTORNEYS

Collin P. Baron
850 Main Street
P.O. Box 7006
Bridgeport, CT 06601-7006
p 203 330 2219
f 203 330 2089
cbaron@pullcom.com
www.pullcom.com



July 17, 2014

VIA U.S. MAIL and FACSIMILE

The Honorable George C. Jepsen
Attorney General
Office of the Attorney General
55 Elm Street
Hartford, CT 06106

The Honorable Jewel Mullen
Commissioner
Department of Public Health
Office of Health Care Access
410 Capitol Avenue
Hartford, CT 06134

Re: Certificate of Need Proceedings with respect to Proposed Asset Purchase Agreement between Saint Mary's Health System, Inc., and a to-be-formed Subsidiary of Tenet Healthcare Corporation

Dear Attorney General Jepsen and Commissioner Mullen:

In connection with the above-referenced proceedings, we respectfully request that you enter the appearance of Pullman & Comley, LLC, on behalf of Tenet Healthcare Corporation and its affiliated entities for all matters coming before both the Office of the Attorney General and the Department of Public Health, Office of Health Care Access.

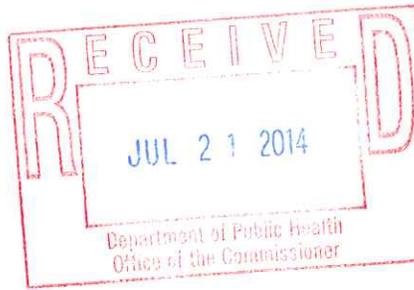
Sincerely,

Pullman & Comley, LLC

By: *Collin P. Baron*
Collin P. Baron, Its Member

By: *Randall C. Mathieson*
Randall C. Mathieson, Its Member

ACTIVE/76178.1/CPB/4716931v1



Collin P. Baron
850 Main Street
P.O. Box 7006
Bridgeport, CT 06601-7006
p 203 330 2219
f 203 330 2089
cbaron@pullcom.com
www.pullcom.com

July 17, 2014

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Sincerely,

Pullman & Comley, LLC

By: 
Collin P. Baron, Its Member

By: 
Randall C. Mathieson, Its Member

State of Connecticut

PERRY ZINN ROWTHORN
DEPUTY ATTORNEY GENERAL



Hartford

August 4, 2014

VIA ELECTRONIC MAIL AND FACSIMILE

Chad Wable, President and CEO
Saint Mary's Hospital
56 Franklin Street
Waterbury, Connecticut 06706

Jeffrey Peterson, Senior Counsel
Tenet Healthcare Corporation
1445 Ross Avenue, Suite 1400
Dallas, Texas 75202

Re: Saint Mary's Health System, Inc. – Proposed Asset Purchase by Tenet Healthcare Corporation - OHCA Docket No. 14-31927-486 and Attorney General Docket No. 14-486-02

Dear Mr. Wable and Mr. Peterson:

After our review of the certificate of need determination letter submitted by you, dated July 9, 2014, we have determined that the proposed transfer of substantially all of the assets of Saint Mary's Health System, Inc. ("SMHS") to Tenet Healthcare Corporation ("Tenet") requires approval pursuant to Conn. Gen. Stat. § 19a-486 et seq.

Accordingly, the parties to the proposed asset purchase shall submit to the Commissioner of Public Health (the "Commissioner") and to the Attorney General, within sixty (60) days of the date of the mailing of this Application form, an Application for Approval of the asset purchase. Please mail two (2) complete hard copies and three complete electronic copies of the Application for Approval to the following address:

Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, Connecticut 06141-0120
Attn: Gary W. Hawes, AAG

Please mail seven (7) complete hard copies and three (3) complete electronic copies of the application for approval to the following address:

Commissioner of Public Health
410 Capitol Avenue
Hartford, Connecticut 06134
Attn: Kevin Hansted, Staff Attorney

We request that your application for approval include the following information (Conn. Gen. Stat. § 19a-486a(c)), address the following issues (Conn. Gen. Stat. §§ 19a-486c and 19a-486d), and be presented in substantially the following format:

1. Identify the contact information for SMHS and Tenet, including the individual(s) to whom the Attorney General and the Department of Public Health shall submit bills for contracts with experts or consultants.
2. Provide an executive summary of the application for approval.
3. Describe the terms of the proposed asset purchase between Tenet and SMHS (the "Asset Purchase"). This section should include, but is not limited to, a financial analysis of the transaction and descriptions of Tenet, SMHS, the new entity that is to be formed by Tenet to effect the acquisition and ownership of SMHS's assets (the "New SM Hospital"), the assets to be transferred pursuant to the Asset Purchase and any assets excluded from transaction, the assumed and excluded liabilities of the Asset Purchase, Tenet's commitment to spend \$85 million dollars on capital expenditures and services improvements, and how Tenet intends to employ SMHS's physicians on staff. Provide copies of all contracts, agreements, and memoranda of understanding, schedules, and pro forma financial statements relating to the proposed Asset Purchase.
4. Describe the due diligence undertaken by SMHS in deciding to enter into the Asset Purchase agreement. This section should include, but is not limited to, considerations regarding the current financial condition of SMHS and any projected financial condition of SMHS, any professional assessments of or reports regarding SMHS or Tenet, any and all alternatives explored by SMHS or other offers received by SMHS, the reasons for rejecting such alternatives and offers, SMHS's selection of Tenet, and the specific terms of the Asset Purchase. In addition, the parties should discuss the due diligence in obtaining the fairness evaluation required by Conn. Gen. Stat. § 19a-486a(c)(5), including providing a copy of said independent expert's resume or other documentation of his or her qualifications and describing the process undertaken to identify and retain this person as an independent expert.
5. Describe any and all potential conflicts of interest between, among, or pertaining to, at a minimum, any and all board members, officers, key employees, and experts of SMHS, Tenet, any other party to the transaction, and any person or entity that performed assessments requested in this application. In addition, describe the due diligence taken to determine the

existence of any conflicts of interest, including how SMHS and Tenet defined "conflict of interest" for purposes of the response to this question.

6. Provide an assessment of the fair market value of the transaction, including, but not limited to, a discussion regarding whether the fair market value of SMHS's assets has been manipulated. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment. Provide copies of all documents and statements, financial and otherwise, in support of this assessment.
7. Provide an assessment of whether the transaction will place SMHS's assets, including but not limited to Saint Mary's Hospital itself, at unreasonable risk. Provide copies of all documents and statements, financial and otherwise, in support of this assessment. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment.
8. Provide an assessment of whether any management contracts to be entered into are for reasonable fair market value. Provide copies of the management contracts and of all documents and statements, financial and otherwise, in support of the fair market value assessment. Describe how the assessment was performed (including any method to verify results of the assessment), the persons that performed the assessment, and their qualifications to perform the assessment.
9. Describe the charitable entity to which the fair market value of SMHS's assets will be transferred including the funding of the entity, its corporate structure, governance and membership, and the charitable purpose of the entity. Provide copies of any documents related to the creation, structure, and purpose of the entity.
10. Identify any and all assets of SMHS that are subject to a charitable use restriction imposed by a donor and the intended handling of those assets as a result of the Asset Purchase. Please provide a listing of these assets in Microsoft Excel format. Also, please provide copies of the original gift instruments for each gift identified.
11. Provide copies of all correspondence, memoranda, and any other documents that include the terms of any other offers to transfer assets or operations or change control of operations received by the SMHS.
12. Provide a copy of a fairness evaluation/opinion by an independent person who is an expert in such Asset Purchases that includes the expert's evaluation of each of the criteria set forth in Conn. Gen. Stat. § 19a-486c(a). Also provide copies of the information and documents relied upon by the expert in the preparation and issuance of the fairness evaluation/opinion.
13. Describe the proposed corporate relationship between the New SM Hospital and the proposed VHS Waterbury Health System, LLC, including but not limited to any and all coordination of governance, control, and funding. Please disclose any related strategic,

market, and/or financial analyses related to Tenet's contemplated ownership of VHS Waterbury Health System, LLC, and the New SM Hospital.

14. Describe the proposed corporate relationship between the New SM Hospital and the proposed VHS Eastern Connecticut Health System, LLC, including but not limited to any and all coordination of governance, control, and funding. Please disclose any related strategic, market, and/or financial analyses related to Tenet's contemplated ownership of VHS Eastern Connecticut Health System, LLC, and the New SM Hospital.
15. Describe the proposed corporate relationship between the New SM Hospital and the proposed VHS Bristol Health System, LLC, including but not limited to any and all coordination of governance, control, and funding. Please disclose any related strategic, market, and/or financial analyses related to Tenet's contemplated ownership of VHS Bristol Health System, LLC, and the New SM Hospital.
16. Please provide a copy of the transcript for the informal hearing required by Public Act 14-168, Section 9(c).
17. Describe the proposed corporate relationship between the New SM Hospital and the proposed partnership between Yale New Haven Health System and Tenet ("YNHHS/Tenet Partnership"). Please also comment on whether there is or is not any planned relationship between the New SM Hospital and the YNHHS/Tenet Partnership or any entity formed as a result of the YNHHS/Tenet Partnership, and the nature of such partnership.
18. Explain how SMHS determined the need for the Asset Purchase and discuss the benefits of this Asset Purchase for St. Mary's Hospital ("Hospital") (provide discussion on history and time-line).
19. Provide a listing of the Hospital's current service lines and service locations and describe any planned changes to both the service lines and service locations for the first three years post-approval of the Asset Purchase. Provide an explanation for each change.
20. Describe the existing populations served by the Hospital and how the Asset Purchase will affect these populations. Include demographic information.
21. Provide a transition plan for the Asset Purchase and describe how SMHS and Tenet (collectively, the "Applicants") will ensure continuity of care and hospital services through this plan.
22. Understanding the proposed common ownership of the hospitals in Waterbury with Tenet, how will care be coordinated in the Waterbury region? Please explain in detail and provide any written plans documenting this coordinated approach to care for the patient population served.
23. Provide a description of the relationship between the proposal and the Statewide Health Care

Facilities and Services Plan.

24. Reference is made to the Greater Waterbury Health Improvement Partnership's Community Health Needs Assessment Final Summary Report dated September 2013 and the prioritized health issues identified at page 3. Please explain how the New SM Hospital will address each of these issues and specifically how the Asset Purchase will aid in attempting to remove cost of care as a barrier to health care access for Waterbury-area residents.
25. Provide a description of plans that the New SM Hospital will implement to control cost, such as discharge care coordination, implementation of electronic medical records and emergency department triaging to the appropriate level of care. In responding to this question, report any anticipated savings from the following expense categories: salaries and wages, fringe benefits, contractual labor fees, medical supplies and pharmaceutical costs, depreciation and amortization, bad debts, interest expense, malpractice expense, utilities, business expense and other operating expenses.
26. Provide a description of the New SM Hospital's plans to continue to provide services to the uninsured and underinsured. In responding to this question, please describe any changes to the Hospital's current charity care, uncompensated care and financial assistance policies and procedures, and hospital bed funds that will result from the Asset Purchase. Describe any plans the New SM Hospital has to work with other providers in the community, such as federally qualified health centers or community health centers, to provide specialty care to patients, or low cost programs that the New SM Hospital will provide in the area that are tailored towards the uninsured or underinsured.
27. Submit a list of all key professional, administrative and clinical department heads related to this proposal. Additionally, provide a copy of the Curriculum Vitae of each individual listed.
28. Provide evidence as to how the Asset Purchase will improve quality, accessibility and cost effectiveness of health care delivery in the region, including but not limited to:
 - a. provision of or any change in the access to services for Medicaid recipients and indigent persons; and
 - b. the impact upon the cost effectiveness of providing access to services provided under the Medicaid program.
29. Explain the roles that the two entities described in the July 9, 2014 Determination Letter, VHS Saint Mary's Health System, LLC and VHS of Connecticut, LLC, will play in the ownership and operation of the New SM Hospital.
30. Provide the corporate organizational chart prior to and after the proposed Asset Purchase, including all affiliates. For the organizational chart that depicts the post-Asset Purchase structure, working upward on the chain of ownership from the entity that will own and operate the New SM Hospital, please: (i) describe the nature of the ownership and control that each entity has in the entity directly below it; (ii) describe the major business

activities/functions of each entity; (iii) provide the principal place of business address for each entity; and (iv) provide the name and business address of each individual currently serving as a member of the governing body of each entity.

31. Please provide the date on which the Hospital filed audited financial statements with OHCA. SMHS may reference these statements in responding to questions.
30. List all funding or financing sources for the \$150,000,000 Asset Purchase by Tenet and Tenet's \$85,000,000 capital expenditure commitment, and the dollar amount of each source. 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.
31. Describe in detail how this proposal will affect the financial strength of the state's health care system or will be financially feasible.
32. Please provide the current payer mix for the Hospital and projected payer mix for New SM Hospital (based on the number of patients, not based on revenue) in the following reporting format:

Table 1: Patient Population/Payer Mix

Total Facility Description	Current Payer Mix	Year 1 Projected Payer Mix	Year 2 Projected Payer Mix	Year 3 Projected Payer Mix
Medicare*	%	%	%	%
Medicaid* (includes other medical assistance)				
CHAMPUS or TriCare				
Total Government Payers				
Commercial Insurers*				
Uninsured				
Workers Compensation				
Total Non-Government Payers				
Total Payer Mix	100.0%	100.0%	100.0%	100.0%

*Includes managed care activity.

33. Provide the assumptions used to project the patient population mix after the proposed Asset Purchase.

34. Please provide one year of actual results and three years of projections of total revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

- a. Financial Attachment I(A) -- SMHS without the CON project (Note that the actual results for the fiscal year reported in the first column must agree with SMHS' audited financial statements.); and
- b. Financial Attachment I(A) -- The New SM Hospital with the CON project and incremental to the CON project.

The projections must include the first three full fiscal years of the project.

35. Provide the assumptions utilized in developing Financial Attachment I (e.g., full-time equivalents, volume statistics, other expenses, revenue and expense percentage increases, project commencement of operation date, etc.).

36. Explain any projected incremental losses from operations contained in the financial projections that result from approval of the Asset Purchase and operation of the New SM Hospital.

37. Please describe any anticipated change to existing reimbursement contracts with payers (e.g., Medicare, Medicaid, commercial) as a result of the Asset Purchase. Is it assumed in the financial projections that the New SM Hospital will willingly negotiate with the payers that the Hospital currently has contracts with?

38. Please explain in detail how the proposed Asset Purchase will be able to assure satisfaction of SMHS and/or the Hospital's debt and pension obligations.

39. Please explain in detail Tenet's commitment to spend no less than \$85 million over seven years on capital expenditures and service improvements. Also, please specify the following:

- a. The annual amounts projected to be available to the New SM Hospital for each of the seven years;
- b. The capital projects that are deemed top priorities by the Applicants; and
- c. The service improvements that are deemed top priorities by the Applicants.

40. Please address the following regarding staffing at the Hospital by completing "Staffing Attachments I&II."

- a. Provide the levels of staffing for fiscal year ("FY") 2013 broken out as follows:

- i. Average patient to nursing staff¹ ratios per shift (a.m., p.m. and overnight) for each department and/or unit of the Hospital;
 - ii. The same information as provided in subsection (a)(i) above showing the RN to patient ratio only; and
 - iii. The average nursing hours per patient day (NHpPD) for each department and/or unit of the Hospital (all nursing staff should be included in the calculation of nursing hours).
 - b. Provide the projected levels of staffing by department and/or unit for the New SM Hospital for the first three (3) full FYs following approval of the Asset Purchase broken out as follows:
 - i. Average patient to nursing staff ratios per shift (a.m., p.m. and overnight) for each department and/or unit of the Hospital; and
 - ii. The same information as provided in subsection (b)(i) above showing the projected RN to patient ratio only.
41. Provide a detailed explanation by department and/or unit as completed by the Applicants in Staffing Attachment I, to reconcile any differences between FY 2013 nursing staff levels and those projected for the first three (3) full FYs following approval of the Asset Purchase.
42. For FY 2013, describe any other Hospital-employed or Hospital-contracted staff besides nursing staff (e.g., hospitalists, mid-level providers, therapists, etc.) that were engaged to provide direct patient care at the Hospital (collectively, "Ancillary Caregivers") broken out as follows:
- a. The type of Ancillary Caregivers and the department and/or unit to which such staff was assigned;
 - b. The average number of hours per week that such Ancillary Caregivers provided patient care for the department and/or unit; and
 - c. For the first three (3) full FYs following approval of the Asset Purchase, the average number of hours per week that such Ancillary Caregivers are projected to provide patient care for each department and/or unit of the Hospital described in subsection (a) above.
43. Provide a detailed explanation by department and/or unit to reconcile any differences between the average number of hours per week that the Ancillary Caregivers described in Question 42 above provided patient care in FY 2013 with those projected for the first three (3) full FYs following approval of the Asset Purchase.
44. Provide evidence that the proposed staffing for nursing staff and Ancillary Caregivers for first three (3) full FYs following approval of the Asset Purchase meet all Connecticut Department of Public Health ("DPH") staffing requirements and assure continued access to

¹ Nursing staff consists of registered nurses (RNs), licensed practical nurses (LPNs) and nurses' aides (NAs) providing direct patient care

high quality and affordable health care. Cite the appropriate DPH regulations and/or other industry benchmarks as applicable.

45. Please provide copies of all CMS statements of deficiencies and plans of correction (CMS Form 2567) for hospitals owned by Tenet for the three (3) most recently completed federal fiscal years. Provide these documents in an electronic format *only*. PDF file on a CD to accompany the responses. No paper copies required.
46. Provide a copy of any of the following policies and procedures that will be in place at the New SM Hospital if the Asset Purchase is approved:
 - a. New SM Hospital Collection Policies (including charity care and bad debt)
 - b. The annual or periodic review and/or revision to the New SM Hospital's pricing structure (the chargemaster or pricemaster).
 - c. The annual or periodic market rate assessment for the New SM Hospital.
47. The Hospital has provided OHCA with its annual FY 2014 pricemaster, which was most recently updated for the month of June, 2014. With respect to this submission, please answer the following:
 - a. Will the pricemaster change as a result of the Asset Purchase?
 - b. If so, please identify any anticipated increases or decreases to the pricemaster as a result of the asset purchase.
 - c. Please quantify the overall percentage increase or decrease in the pricemaster that is anticipated in subsection (b) above and explain the rationale for such change.
48. Please provide monthly financial statistics report for FY 2014, current month and year-to-date, and comparable period for FY 2013 to OHCA, for both the Hospital only and for SMHS, with the Application and thereafter on a monthly basis for each month, until a public hearing in this matter is held. The following financial measurements/indicators should be addressed in the report:

Monthly Financial Measurement/Indicators

A. Operating Performance
Operating Margin
Non-Operating Margin
Total Margin
Bad Debt as % Gross Revenue
B. Liquidity
Current Ratio
Days Cash on Hand
Days in Net Accounts Receivables
Average Payment Period
C. Leverage and Capital Structure
Long-term Debt to Equity

Long-term Debt to Capitalization
Unrestricted Cash to Debt
Times Interest Earned Ratio
Debt Service Coverage Ratio
Equity Financing Ratio
D. Additional Statistics
Income from Operations
Revenue Over/(Under) Expense
EBITDA
Patient Cash Collected
Cash and Cash Equivalents
Net working Capital
Unrestricted Assets
Credit Ratings (S&P, FITCH and Moody's)

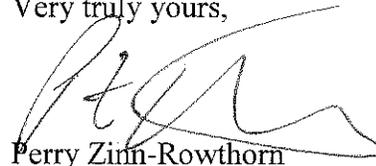
49. Please describe in detail the corporate structure, governance, controlling body, purpose and function of the Saint Mary's Hospital Foundation, Inc. ("Foundation") after the Asset Purchase, including the identity of all members of the Foundation and their authority.
50. Provide a copy of the SMHS's and the Hospital's IRS Form 990 for the 2013 tax year and with respect to the amounts listed on each line item within Part 1, Section 7 of Schedule H ("Financial Assistance and Certain Other Community Benefits at Cost"), provide a projected amount for each line item for the first three (3) tax years following the Asset Purchase. Please note that it is understood that the proposed New SM Hospital will not file an IRS Form 990 following the Asset Purchase. This question is directed at determining the amount of programmatic and financial support that the New SM Hospital will continue to provide in these community benefit categories.
51. With respect to the amounts listed on each line item within Part II of Schedule H of the Hospital's IRS Form 990 for the 2013 tax year ("Community Building Activities"), provide a projected amount for each line item for the first three (3) tax years following the Asset Purchase. Please note that it is understood that the proposed New SM Hospital will not file an IRS Form 990 following the Asset Purchase. This question is directed at determining the amount of programmatic and financial support that the New SM Hospital will continue to provide in these community building activity categories.
52. Please discuss whether the Asset Purchase and formation of the New SM Hospital is expected to achieve an improved negotiating position with vendors and/or payers and, if such an improved negotiating position is anticipated, how it will translate into tangible savings for the consumer of health care services. Provide a response that both describes any anticipated improvements in detail and quantifies the expected results for the consumer.
53. Provide details of plans to be put in place to ensure the proposed health care services provided by the New SM Hospital adhere to the National Standards on Culturally and Linguistically Appropriate Services (CLAS) to advance health equity, improve quality and

help eliminate health care disparities in the projected service area. (For more details on CLAS standards see <http://minorityhealth.hhs.gov/templates/browse.aspx?lvl=2&lvlID=15#sthash.U320zUXq.dpuf>)

After receipt of your Application for Approval, the Commissioner and the Attorney General shall review the submission to determine whether the Application is complete. If not, the Commissioner and the Attorney General shall provide written notice of any deficiencies within twenty (20) days of receipt of the Application.

Should you have any questions regarding this Application form, your Application for Approval, or any other issues relating to the Commissioner's and the Attorney General's review, please do not hesitate to contact either Steven Lazarus at the Department of Public Health (860-418-7012; Steven.Lazarus@ct.gov) or Assistant Attorney General Gary W. Hawes at the Office of the Attorney General (860-808-5020; gary.hawes@ct.gov).

Very truly yours,



Perry Zinn-Rowthorn
Deputy Attorney General



Lisa A. Davis, MBA, BSN, RN
Deputy Commissioner, DPH

Attachments

cc: Robert J. Anthony, Esq. (via electronic mail)
Collin P. Baron, Esq. (via electronic mail)
Kimberly Martone, Director of Operations, OHCA
Gary W. Hawes, Assistant Attorney General, OAG

* * * COMMUNICATION RESULT REPORT (AUG. 4. 2014 4:54PM) * * *

FAX HEADER:

TRANSMITTED/STORED : AUG. 4. 2014 4:52PM

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 E-3) NO ANSWER

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



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

FAX SHEET

TO: CHAD WABLE

FAX: 203 709 3066

AGENCY: SAINT MARY'S HOSPITAL

FROM: OHCA

DATE: 8/4/14 **Time:** _____

NUMBER OF PAGES: _____
(including transmittal sheet)

Comments:

Application forms for St. Marys DN: 14-31927

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

Phone: (860) 418-7001

Fax: (860) 418-7053

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

* * * COMMUNICATION RESULT REPORT (AUG. 4. 2014 4:59PM) * * *

FAX HEADER:

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REASON FOR ERROR
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 E-3) NO ANSWER

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



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

FAX SHEET

TO: JEFFERY PETERSON

FAX: 469 893-7104

AGENCY: TENET

FROM: OHCA

DATE: 8/4/14 **Time:** _____

NUMBER OF PAGES: _____
(including transmittal sheet)

Comments:

Application forms for St. Marys DN: 14-31927

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

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

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

GEORGE JEPSEN
ATTORNEY GENERAL



55 Elm Street
P.O. Box 120
Hartford, CT 06141-0120

Office of the Attorney General
State of Connecticut

August 19, 2014

VIA U.S. and ELECTRONIC MAIL

Darlene Stromstad, FACHE, President and CEO
Greater Waterbury Health Network, Inc.
64 Robbins Street
Waterbury, Connecticut 06708

Chad Wable, President and CEO
Saint Mary's Health System, Inc.
56 Franklin Street
Waterbury, Connecticut 06706

Jeffrey Peterson, Senior Counsel
Tenet Healthcare Corporation
1445 Ross Avenue, Suite 1400
Dallas, Texas 75202

**Re: Scheduling Agreement for OHCA Docket Nos. 13-31838-486 and 14-31927-486 and
Attorney General Docket Nos. 13-486-01 and 14-486-02**

Dear Ms. Stromstad, Mr. Wable, and Mr. Peterson:

Thank you for meeting with representatives of the Office of the Attorney General (the "OAG") and the Department of Public Health, Office of Health Care Access ("OHCA") on July 24, 2014, regarding the scheduling of the hospital conversion dockets referenced above—specifically, the proposed joint venture between Greater Waterbury Health Network, Inc. ("GWHN") and Vanguard Health Systems, Inc. ("Vanguard") and the proposed asset purchase of Saint Mary's Health System, Inc. ("SMHS") by Tenet Healthcare Corporation ("Tenet"). Additionally, we appreciate the subsequent email, on August 1, 2014, from Ms. Stromstad detailing the current and projected financial condition of GWHN.

Pursuant to § 19a-486b, our offices propose that the parties agree to the following schedules for completion of the GWHN and SMHS hospital conversion reviews.

1. SMHS and Tenet will file their Application for Conversion at their earliest convenience, but no later than September 12, 2014.

August 19, 2014

Page 2

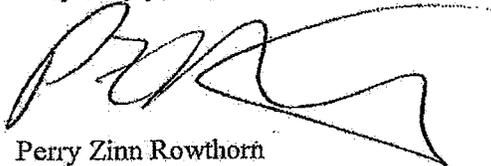
2. Our offices will plan to schedule hearings in the GWHN and the SMHS dockets on October 15, 16 and/or 17, 2014.
3. The parties agree to extend the 120 day review period set forth in Conn. Gen. Stat § 19a-486b until December 5, 2014 in the GWHN conversion. Our offices will make every effort to proceed in a manner that will permit our offices to complete the GWHN review on or before December 5, 2014. If it becomes apparent that due to unforeseen circumstances we cannot complete the GWHN review by that date, GWHN and our offices will convene at the earliest opportunity to agree upon a revised completion date provided such completion date is no later than December 17, 2014.
4. SMHS and our offices will make every effort to proceed in a manner that will permit our offices to issue the final decision in the SMHS conversion matter on or before December 5, 2014. If it becomes apparent that we cannot complete the SMHS review by that date, SMHS and our offices will convene at the earliest opportunity to agree upon a revised completion date.
5. Tenet agrees not to seek to renegotiate the proposed joint venture with GWHN before December 5, 2014, and understands that any effort to renegotiate the joint venture, which results in a material alteration of its terms, after an approval by our offices would be cause for us to reopen or rescind the approval decision. The OAG and OHCA shall have sole discretion to determine the materiality of any alteration to the terms of the joint venture.

If you agree to these scheduling terms, please sign the attached page and return the original to our offices at:

Office of the Attorney General
55 Elm Street, P.O. Box 120
Hartford, Connecticut 06141-0120
Attn: Gary W. Hawes, AAG

Department of Public Health
410 Capitol Avenue
Hartford, Connecticut 06134
Attn: Kevin Hansted, Staff Attorney

Very truly yours,



Perry Zinn Rowthorn
Deputy Attorney General
Office of the Attorney General

Very truly yours



Lisa A. Davis
Deputy Commissioner, MBA, BS, RN
Office of Health Care Access

August 19, 2014

Page 3

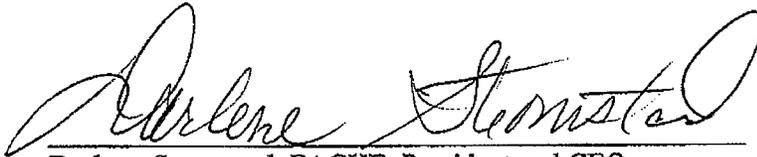
cc: Gary W. Hawes (via electronic mail)
Steven Lazarus (via electronic mail)

Anne Zucker (via electronic mail)
Robert Anthony (via electronic mail)
Collin P. Barron (via electronic mail)

August 19, 2014
Page 4

August 19, 2014, Scheduling Letter Agreement for
OHCA Docket Nos. 13-31838-486 and 14-31927-486 and
Attorney General Docket Nos. 13-486-01 and 14-486-02

Signature Page



Darlene Stromstad, FACHE, President and CEO
for Greater Waterbury Health Network, Inc.

8/19/14
Date

Chad Wable, President and CEO
for Saint Mary's Health System, Inc.

Date



Jeffrey Peterson, Senior Counsel
for Tenet Healthcare Corporation and
Vanguard Health Systems, Inc.

8/20/14
Date

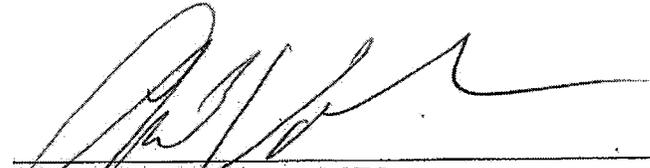
August 19, 2014
Page 4

**August 19, 2014, Scheduling Letter Agreement for
OHCA Docket Nos. 13-31838-486 and 14-31927-486 and
Attorney General Docket Nos. 13-486-01 and 14-486-02**

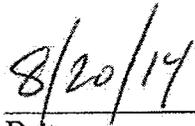
Signature Page

Darlene Stromstad, FACHE, President and CEO
for Greater Waterbury Health Network, Inc.

Date



Chad Wable, President and CEO
for Saint Mary's Health System, Inc.



Date

Jeffrey Peterson, Senior Counsel
for Tenet Healthcare Corporation and
Vanguard Health Systems, Inc.

Date