

**SCHEDULE H  
(Form 990)**

**Hospitals**

OMB No. 1545-0047

**2012**

**Open to Public  
Inspection**

▶ **Complete if the organization answered "Yes" to Form 990, Part IV, question 20.**  
▶ **Attach to Form 990. ▶ See separate instructions.**

Department of the Treasury  
Internal Revenue Service

Name of the organization

**JOHNSON MEMORIAL HOSPITAL INC**

Employer identification number

06 0646696

**Part I Financial Assistance and Certain Other Community Benefits at Cost**

- |   | Yes | No |
|---|-----|----|
| <b>1a</b> Did the organization have a financial assistance policy during the tax year? If "No," skip to question 6a . . . . .   | ✓   |    |
| <b>1b</b> If "Yes," was it a written policy? . . . . .  | ✓   |    |
| <b>2</b> If the organization had multiple hospital facilities, indicate which of the following best describes application of the financial assistance policy to its various hospital facilities during the tax year.<br><input type="checkbox"/> Applied uniformly to all hospital facilities <input type="checkbox"/> Applied uniformly to most hospital facilities<br><input type="checkbox"/> Generally tailored to individual hospital facilities   |     |    |
| <b>3</b> Answer the following based on the financial assistance eligibility criteria that applied to the largest number of the organization's patients during the tax year.<br><b>a</b> Did the organization use Federal Poverty Guidelines (FPG) as a factor in determining eligibility for providing free care? If "Yes," indicate which of the following was the FPG family income limit for eligibility for free care:<br><input type="checkbox"/> 100% <input type="checkbox"/> 150% <input checked="" type="checkbox"/> 200% <input type="checkbox"/> Other _____ % | ✓   |    |
| <b>b</b> Did the organization use FPG as a factor in determining eligibility for providing discounted care? If "Yes," indicate which of the following was the family income limit for eligibility for discounted care: . . . . .<br><input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input checked="" type="checkbox"/> 400% <input type="checkbox"/> Other _____ %   | ✓   |    |
| <b>c</b> If the organization used factors other than FPG in determining eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization used an asset test or other threshold, regardless of income, as a factor in determining eligibility for free or discounted care.  |     |    |
| <b>4</b> Did the organization's financial assistance policy that applied to the largest number of its patients during the tax year provide for free or discounted care to the "medically indigent"?   | ✓   |    |
| <b>5a</b> Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year?   | ✓   |    |
| <b>b</b> If "Yes," did the organization's financial assistance expenses exceed the budgeted amount? . . . . .   | ✓   |    |
| <b>c</b> If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .   |     | ✓  |
| <b>6a</b> Did the organization prepare a community benefit report during the tax year? . . . . .  |     | ✓  |
| <b>b</b> If "Yes," did the organization make it available to the public? . . . . .  |     |    |

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

<b>7 Financial Assistance and Certain Other Community Benefits at Cost</b>						
	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
<b>Financial Assistance and Means-Tested Government Programs</b>						
<b>a</b> Financial Assistance at cost (from Worksheet 1) . . . . .		369	127,400	0	127,400	0.2%
<b>b</b> Medicaid (from Worksheet 3, column a)		11,700	9,466,924	4,495,248	4,971,676	7.3%
<b>c</b> Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .		0	0	0	0	0%
<b>d</b> <b>Total</b> Financial Assistance and Means-Tested Government Programs	0	12,069	9,594,324	4,495,248	5,099,076	7.5%
<b>Other Benefits</b>						
<b>e</b> Community health improvement services and community benefit operations (from Worksheet 4) . . . . .	8	2,850	62,467	0	62,467	0.1%
<b>f</b> Health professions education (from Worksheet 5) . . . . .	1	8	18,487	0	18,487	0.02%
<b>g</b> Subsidized health services (from Worksheet 6) . . . . .						
<b>h</b> Research (from Worksheet 7)						
<b>i</b> Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .	1	300	1,394	0	1,394	0%
<b>j</b> <b>Total</b> Other Benefits . . . . .	10	3,158	82,348	0	82,348	0.12%
<b>k</b> <b>Total.</b> Add lines 7d and 7j . . . . .	10	15,227	9,676,672	4,495,248	5,181,424	7.62%

**Part II Community Building Activities** Complete this table if the organization conducted any community building activities during the tax year, and describe in Part VI how its community building activities promoted the health of the communities it serves.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1 Physical improvements and housing						
2 Economic development						
3 Community support						
4 Environmental improvements						
5 Leadership development and training for community members						
6 Coalition building						
7 Community health improvement advocacy						
8 Workforce development						
9 Other						
10 Total						

**Part III Bad Debt, Medicare, & Collection Practices**

**Section A. Bad Debt Expense**

	Yes	No
1 Did the organization report bad debt expense in accordance with Healthcare Financial Management Association Statement No. 15?	1	✓
2 Enter the amount of the organization's bad debt expense. Explain in Part VI the methodology used by the organization to estimate this amount . . . . .	2	4,453,593
3 Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's financial assistance policy. Explain in Part VI the methodology used by the organization to estimate this amount and the rationale, if any, for including this portion of bad debt as community benefit. . . . .	3	311,752
4 Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense or the page number on which this footnote is contained in the attached financial statements.		

**Section B. Medicare**

5 Enter total revenue received from Medicare (including DSH and IME) . . . . .	5	17,043,448
6 Enter Medicare allowable costs of care relating to payments on line 5 . . . . .	6	21,319,882
7 Subtract line 6 from line 5. This is the surplus (or shortfall) . . . . .	7	-4,276,434
8 Describe in Part VI the extent to which any shortfall reported in line 7 should be treated as community benefit. Also describe in Part VI the costing methodology or source used to determine the amount reported on line 6. Check the box that describes the method used: <input type="checkbox"/> Cost accounting system <input checked="" type="checkbox"/> Cost to charge ratio <input type="checkbox"/> Other		

**Section C. Collection Practices**

9a Did the organization have a written debt collection policy during the tax year? . . . . .	9a	✓
b If "Yes," did the organization's collection policy that applied to the largest number of its patients during the tax year contain provisions on the collection practices to be followed for patients who are known to qualify for financial assistance? Describe in Part VI . . . . .	9b	✓

**Part IV Management Companies and Joint Ventures** (owned 10% or more by officers, directors, trustees, key employees, and physicians—see instructions)

(a) Name of entity	(b) Description of primary activity of entity	(c) Organization's profit % or stock ownership %	(d) Officers, directors, trustees, or key employees' profit % or stock ownership %	(e) Physicians' profit % or stock ownership %
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				

**Part V Facility Information**

**Section A. Hospital Facilities**

(list in order of size, from largest to smallest—see instructions)  
 How many hospital facilities did the organization operate during the tax year? 1

Name, address, and primary website address

**1** Johnson Memorial Hospital Inc  
 201 Chestnut Hill Road  
 Stafford Springs, CT 06074

<b>2</b>										
<b>3</b>										
<b>4</b>										
<b>5</b>										
<b>6</b>										
<b>7</b>										
<b>8</b>										
<b>9</b>										
<b>10</b>										
<b>11</b>										
<b>12</b>										

Licensed hospital	General medical & surgical	Children's hospital	Teaching hospital	Critical access hospital	Research facility	ER-24 hours	ER-other	Other (describe)	Facility reporting group
✓	✓					✓			

**Part V Facility Information** (continued)

**Section B. Facility Policies and Practices**

(Complete a separate Section B for each of the hospital facilities or facility reporting groups listed in Part V, Section A)

Name of hospital facility or facility reporting group Johnson Memorial Hospital Inc

For single facility filers only: line number of hospital facility (from Schedule H, Part V, Section A) 1

**Community Health Needs Assessment** (Lines 1 through 8c are optional for tax years beginning on or before March 23, 2012)

- 1** During the tax year or either of the two immediately preceding tax years, did the hospital facility conduct a community health needs assessment (CHNA)? If "No," skip to line 9. . . . .
- If "Yes," indicate what the CHNA report describes (check all that apply):
  - a**  A definition of the community served by the hospital facility
  - b**  Demographics of the community
  - c**  Existing health care facilities and resources within the community that are available to respond to the health needs of the community
  - d**  How data was obtained
  - e**  The health needs of the community
  - f**  Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups
  - g**  The process for identifying and prioritizing community health needs and services to meet the community health needs
  - h**  The process for consulting with persons representing the community's interests
  - i**  Information gaps that limit the hospital facility's ability to assess the community's health needs
  - j**  Other (describe in Part VI)
- 2** Indicate the tax year the hospital facility last conducted a CHNA: 20 12
- 3** In conducting its most recent CHNA, did the hospital facility take into account input from representatives of the community served by the hospital facility, including those with special knowledge of or expertise in public health? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted . . . . .
- 4** Was the hospital facility's CHNA conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .
- 5** Did the hospital facility make its CHNA report widely available to the public? . . . . .
- If "Yes," indicate how the CHNA report was made widely available (check all that apply):
  - a**  Hospital facility's website
  - b**  Available upon request from the hospital facility
  - c**  Other (describe in Part VI)
- 6** If the hospital facility addressed needs identified in its most recently conducted CHNA, indicate how (check all that apply to date):
  - a**  Adoption of an implementation strategy that addresses each of the community health needs identified through the CHNA
  - b**  Execution of the implementation strategy
  - c**  Participation in the development of a community-wide plan
  - d**  Participation in the execution of a community-wide plan
  - e**  Inclusion of a community benefit section in operational plans
  - f**  Adoption of a budget for provision of services that address the needs identified in the CHNA
  - g**  Prioritization of health needs in its community
  - h**  Prioritization of services that the hospital facility will undertake to meet health needs in its community
  - i**  Other (describe in Part VI)
- 7** Did the hospital facility address all of the needs identified in its most recently conducted CHNA? If "No," explain in Part VI which needs it has not addressed and the reasons why it has not addressed such needs . . . . .
- 8 a** Did the organization incur an excise tax under section 4959 for the hospital facility's failure to conduct a CHNA as required by section 501(r)(3)? . . . . .
- 8 b** If "Yes" to line 8a, did the organization file Form 4720 to report the section 4959 excise tax? . . . . .
- 8 c** If "Yes" to line 8b, what is the total amount of section 4959 excise tax the organization reported on Form 4720 for all of its hospital facilities? \$

	Yes	No
<b>1</b>	✓	
<b>3</b>	✓	
<b>4</b>		✓
<b>5</b>	✓	
<b>7</b>	✓	
<b>8a</b>		✓
<b>8b</b>		

**Part V Facility Information (continued)**

**Financial Assistance Policy**

		Yes	No
9	Did the hospital facility have in place during the tax year a written financial assistance policy that: Explained eligibility criteria for financial assistance, and whether such assistance includes free or discounted care? . . . . .		
		✓	
10	Used federal poverty guidelines (FPG) to determine eligibility for providing <i>free</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care: <u>200</u> % If "No," explain in Part VI the criteria the hospital facility used.	✓	
11	Used FPG to determine eligibility for providing <i>discounted</i> care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care: <u>400</u> % If "No," explain in Part VI the criteria the hospital facility used.	✓	
12	Explained the basis for calculating amounts charged to patients? . . . . . If "Yes," indicate the factors used in determining such amounts (check all that apply):	✓	
a	<input checked="" type="checkbox"/> Income level		
b	<input type="checkbox"/> Asset level		
c	<input checked="" type="checkbox"/> Medical indigency		
d	<input checked="" type="checkbox"/> Insurance status		
e	<input checked="" type="checkbox"/> Uninsured discount		
f	<input checked="" type="checkbox"/> Medicaid/Medicare		
g	<input checked="" type="checkbox"/> State regulation		
h	<input type="checkbox"/> Other (describe in Part VI)		
13	Explained the method for applying for financial assistance? . . . . .	✓	
14	Included measures to publicize the policy within the community served by the hospital facility? . . . . . If "Yes," indicate how the hospital facility publicized the policy (check all that apply):	✓	
a	<input type="checkbox"/> The policy was posted on the hospital facility's website		
b	<input checked="" type="checkbox"/> The policy was attached to billing invoices		
c	<input type="checkbox"/> The policy was posted in the hospital facility's emergency rooms or waiting rooms		
d	<input checked="" type="checkbox"/> The policy was posted in the hospital facility's admissions offices		
e	<input type="checkbox"/> The policy was provided, in writing, to patients on admission to the hospital facility		
f	<input checked="" type="checkbox"/> The policy was available on request		
g	<input type="checkbox"/> Other (describe in Part VI)		

**Billing and Collections**

15	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	✓	
16	Check all of the following actions against an individual that were permitted under the hospital facility's policies during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP:		
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		
17	Did the hospital facility or an authorized third party perform any of the following actions during the tax year before making reasonable efforts to determine the patient's eligibility under the facility's FAP? . . . . . If "Yes," check all actions in which the hospital facility or a third party engaged:	✓	
a	<input checked="" type="checkbox"/> Reporting to credit agency		
b	<input checked="" type="checkbox"/> Lawsuits		
c	<input checked="" type="checkbox"/> Liens on residences		
d	<input type="checkbox"/> Body attachments		
e	<input type="checkbox"/> Other similar actions (describe in Part VI)		

**Part V Facility Information (continued)**

- 18** Indicate which efforts the hospital facility made before initiating any of the actions listed in line 17 (check all that apply):
- a**  Notified individuals of the financial assistance policy on admission
  - b**  Notified individuals of the financial assistance policy prior to discharge
  - c**  Notified individuals of the financial assistance policy in communications with the patients regarding the patients' bills
  - d**  Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy
  - e**  Other (describe in Part VI)

**Policy Relating to Emergency Medical Care**

		Yes	No
<b>19</b>	Did the hospital facility have in place during the tax year a written policy relating to emergency medical care that requires the hospital facility to provide, without discrimination, care for emergency medical conditions to individuals regardless of their eligibility under the hospital facility's financial assistance policy? . . . . .	✓	
If "No," indicate why:			
<b>a</b>	<input type="checkbox"/> The hospital facility did not provide care for any emergency medical conditions		
<b>b</b>	<input type="checkbox"/> The hospital facility's policy was not in writing		
<b>c</b>	<input type="checkbox"/> The hospital facility limited who was eligible to receive care for emergency medical conditions (describe in Part VI)		
<b>d</b>	<input type="checkbox"/> Other (describe in Part VI)		

**Charges to Individuals Eligible for Assistance under the FAP (FAP-Eligible Individuals)**

<b>20</b>	Indicate how the hospital facility determined, during the tax year, the maximum amounts that can be charged to FAP-eligible individuals for emergency or other medically necessary care.			
<b>a</b>	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged			
<b>b</b>	<input type="checkbox"/> The hospital facility used the average of its three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged			
<b>c</b>	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged			
<b>d</b>	<input checked="" type="checkbox"/> Other (describe in Part VI)			
<b>21</b>	During the tax year, did the hospital facility charge any of its FAP-eligible individuals, to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . .			✓
If "Yes," explain in Part VI.				
<b>22</b>	During the tax year, did the hospital facility charge any FAP-eligible individuals an amount equal to the gross charge for any service provided to that individual? . . . . .			✓
If "Yes," explain in Part VI.				

**Part V Facility Information** *(continued)*

**Section C. Other Health Care Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

(list in order of size, from largest to smallest)

How many non-hospital health care facilities did the organization operate during the tax year? 7

Name and address	Type of Facility (describe)
1 Johnson Memorial Hospital DBA Johnson Surgery Center 148 Hazard Avenue Enfield, CT 06083	Outpatient Surgery Center and Diagnostic Imaging Center with Lab draw
2 Johnson Memorial Hospital 151 Hazard Avenue Enfield, CT 06083	Physical Therapy Services
3 Johnson Memorial Hospital 139 Hazard Avenue Enfield, CT 06083	Cardiac Rehab Services
4 Johnson Memorial Hospital DBA Tolland Medical Specialists 384 L Merrow Road Tolland, CT 06084	Physician Session Space with Lab and Xray services
5 Johnson Memorial Hospital 15 Palomba Drive Enfield, CT 06086	Lab draw station
6 Johnson Memorial Hospital 140 Hazard Avenue Suite 106 Enfield, CT 06083	Wound Care Services (Advanced Wound Center)
7 Johnson Memorial Hospital 142 Hazard Avenue Enfield, CT 06083	Infusion Therapy Services (Karen Davis Krzynowek Infusion Center)
8	
9	
10	

**Part VI Supplemental Information**

Complete this part to provide the following information.

- 1 **Required descriptions.** Provide the descriptions required for Part I, lines 3c, 6a, and 7; Part II; Part III, lines 4, 8, and 9b; Part V, Section A; and Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.
- 2 **Needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any needs assessments reported in Part V, Section B.
- 3 **Patient education of eligibility for assistance.** Describe how the organization informs and educates patients and persons who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's financial assistance policy.
- 4 **Community information.** Describe the community the organization serves, taking into account the geographic area and demographic constituents it serves.
- 5 **Promotion of community health.** Provide any other information important to describing how the organization's hospital facilities or other health care facilities further its exempt purpose by promoting the health of the community (e.g., open medical staff, community board, use of surplus funds, etc.).
- 6 **Affiliated health care system.** If the organization is part of an affiliated health care system, describe the respective roles of the organization and its affiliates in promoting the health of the communities served.
- 7 **State filing of community benefit report.** If applicable, identify all states with which the organization, or a related organization, files a community benefit report.
- 8 **Facility reporting group(s).** If applicable, for each hospital facility in a facility reporting group provide the descriptions required for Part V, Section B, lines 1j, 3, 4, 5c, 6i, 7, 10, 11, 12h, 14g, 16e, 17e, 18e, 19c, 19d, 20d, 21, and 22.

Schedule H, Part I, Line 7 - Ratio of Cost to Charges was utilized. Also actual accumulated costs with overhead allocations based on recent Medicare Cost Study

Schedule H, Part I, Line 7g - N/A

Schedule H, Part III, Section A, Line 4 - The Hospital's estimation of the allowance for uncollectible accounts is based primarily upon the type and age of the patient accounts receivable and the effectiveness of the Hospital's collection efforts. The Hospital's policy is to reserve a portion of all self-pay receivables, including amounts due from uninsured and amounts related to co-payments and deductibles, as these charges are recorded. On a monthly basis, the hospital reviews its accounts receivable balances, the effectiveness of the Hospital's reserve policies and various analytics to support the basis for its estimates. These efforts primarily consist of reviewing the following: Revenue and volume trends by payer, particularly the self-pay components; Changes in the aging and payer mix of accounts receivable, including increased focus on accounts due from uninsured and accounts that represent co-payments and deductibles from patients; Various allowance coverage statistics. The Hospital regularly performs hindsight procedures to evaluate historical write-off and collection experience throughout the year to assist in determining the reasonableness of its process for estimating the allowance for uncollectible accounts. regarding Part III line 3 Gross charges written to bad debt were reduced to cost by applying applicable (updated quarterly) ratio of cost to charges. the Director of Patient Accounts reviewed detailed reports and estimated that approximately 7% may have been Charity Care.

Schedule H, Part III, Section B, Line 8 - line 5&6 were computed from the 2013 Medicare Cost Study (D/E) worksheets. The shortfall from Medicare contributes importantly to the welfare and benefit of our community by providing high quality healthcare at affordable prices.

Schedule H, Part III, Section C, Line 9b - Patients who can demonstrate that payment of a hospital bill would be a hardship for them may apply for financial assistance.

Schedule H, Part V, Section B, Line 20 - Patients apply for Financial Assistance in accordance with the "Financial Assistance Policy"

Schedule H, Part VI, Line 2 - The CHNA consisted of a series of interviews with local Providers, a community survey and information gathered from local health departments and community based service organizations. In addition, three focus groups were informally surveyed through the JMMC Interfaith Clergy, Post-Acute Care Council and Geographic Council. Community health needs identified through the CHNA include obesity, diabetes, behavioral health, substance abuse/alcoholism and heart failure. An implementation plan was

**Part VI- Supplemental Information (Continued)**

designed to address those needs with activities that align with Johnson Memorial Hospital's mission, vision, and values.

Schedule H, Part VI, Line 3 - Johnson Memorial Hospital has a "Customer Service" position in the Patient Accounts department. That position assists patients in the Medicaid and/or financial assistance process. The Hospital also has staff that is a "Certified Navigator" for the CT Exchange Programs helping patients with the application process.

Schedule H, Part VI, Line 4 - The Johnson Memorial Hospital (JMH) is an acute-care hospital which serves the communities in North Central Connecticut. The towns in JMH's service area are part of either Tolland or Hartford county, which are included in the Hartford-West Hartford, Hartford-East Hartford, CTMetropolitan Statistical Area. The service area has a population of about 150,000 and is suburban to the city of Hartford. The average household income is in the \$80,000 range. About 10% of residents under 65, for all income levels, are uninsured. JMH provided Charity care in the amount of 310,398 in FY2013. Eastern Connecticut Health Network & Saint Francis Hospital and Medical Center (a JMH affiliate) also provide services in JMH's service area. Baystate Medical Center, located in Massachusetts, also provides services to this area.

Schedule H, Part VI, Line 6 - Johnson Memorial Medical Center (JMMC), the parent organization of Johnson Memorial Hospital, Evergreen Health Care Center and Home and Community health Services; and Saint Francis Care inc., the parent organization of Saint Francis Hospital and Medical Center, have formally signed an affiliation agreement designed to maintain Johnson Memorial as an independent source of high quality healthcare and expand its clinical services in North Central Connecticut. Under the terms of the agreement, JMMC is now a Saint Francis Care Partner, but both JMMC and Saint Francis will continue to be separately licensed institutions, each with separate Boards of Directors.

Schedule H, Part VI, Line 7 - CT