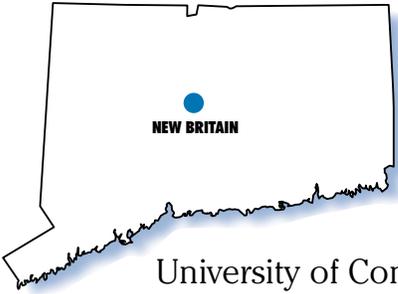


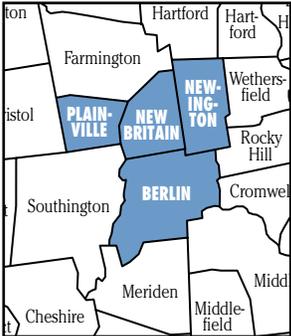
NEW BRITAIN GENERAL HOSPITAL

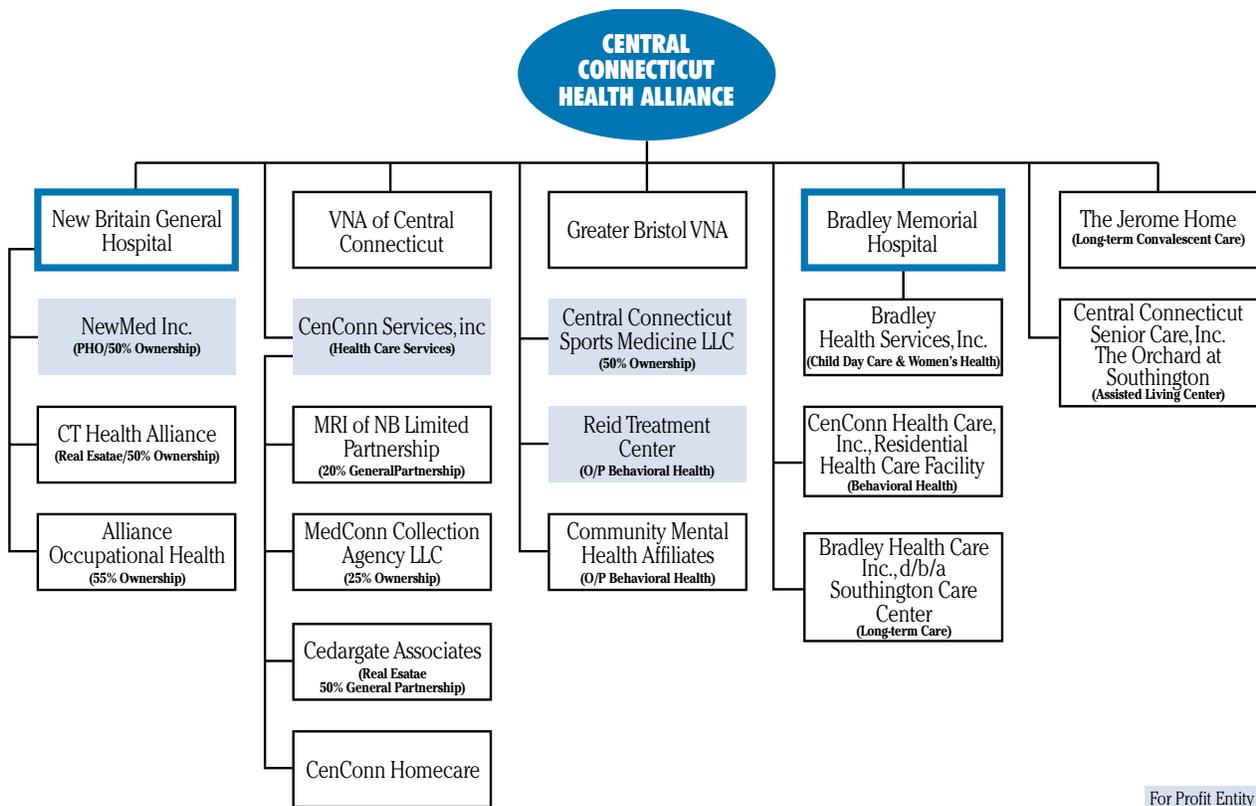
New Britain General Hospital, founded in 1893, is located in New Britain, and in addition to that city, primarily serves three other towns. In FY 1999, the hospital staffed 286 of



its 362 licensed beds, and employed 1,969 Full Time Equivalents. New Britain General is a teaching hospital with 60 residents and is affiliated with the

University of Connecticut School of Medicine. It is a part of the Central Connecticut Health Alliance which also includes Bradley Memorial Hospital, and home health, behavioral health, rehabilitation, and long-term care entities. The hospital's average age of plant is 6.4 years as compared to the U.S. average of 9.2 years.





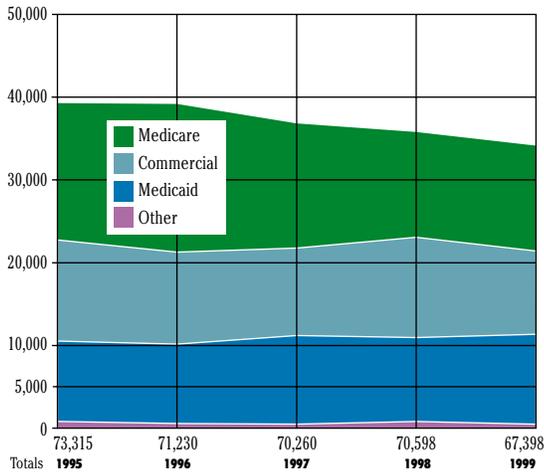
For Profit Entity

MARGINS	1997	1998	1999
Total margin	4.15%	2.96%	2.38%
Operating margin	1.52%	-1.40%	-5.42%

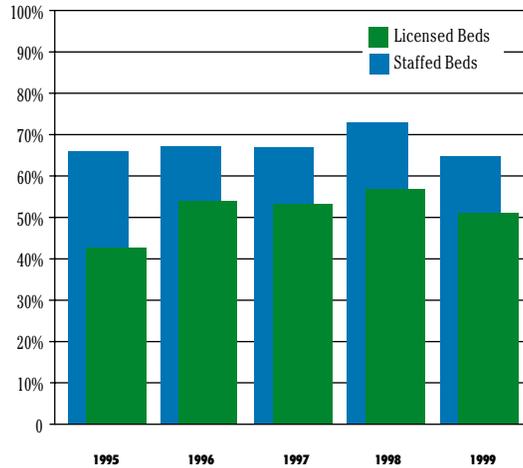
PAYMENT TO COST RATIOS BY PAYER			
Ratio of cost to charges	.65	.65	.66
Medicare Payment to Cost	.96	.94	.91
Medicaid Payment to Cost	.83	.68	.63
Private Payment to Cost	1.21	1.14	1.11
Uncompensated Care Cost	\$2,825,440	\$3,024,621	\$3,321,435
Total expenses	\$141,397,165	\$150,822,175	\$157,063,321
Uncompensated care % of total expenses	2.00%	2.01%	2.11%

CAPITAL STRUCTURE RATIOS			
Equity financing ratio	50.90%	46.33%	45.10%
Debt service coverage	3.53	3.20	2.22

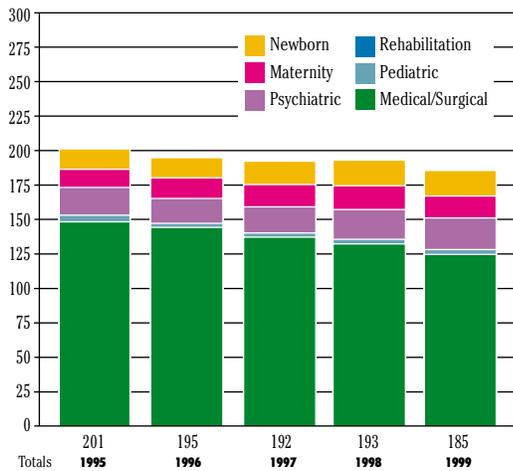
LIQUIDITY MEASURES			
Days of expenses in accounts payable	70.26	90.43	73.19
Days cash on hand	7.01	2.06	0
Days of revenue in accounts receivable	54.51	57.09	59.86



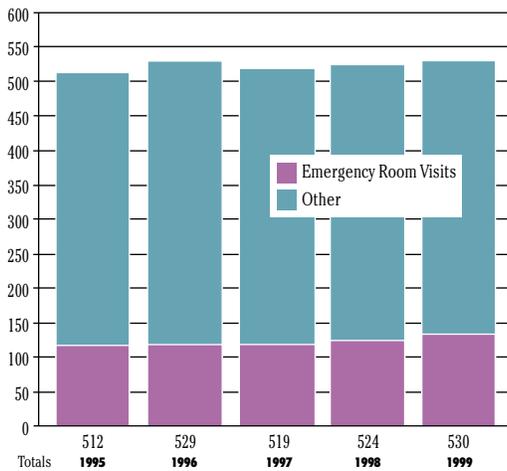
PATIENT DAYS BY PAYER



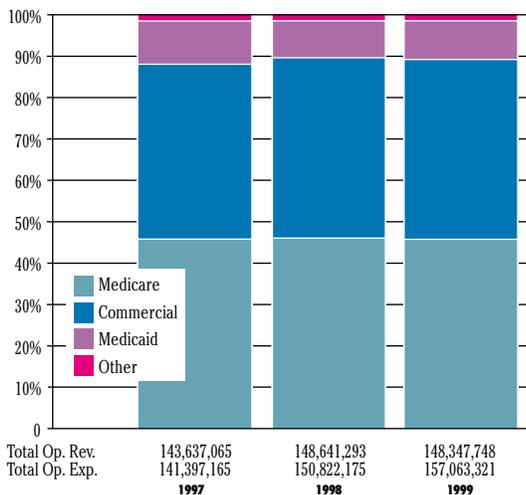
AVERAGE OCCUPANCY



AVERAGE DAILY CENSUS BY SERVICE



AVERAGE DAILY OUTPATIENTS



NET PATIENT REVENUE BY PAYER

KEY PERFORMANCE DRIVERS

- ◆ Inpatient discharges at New Britain General Hospital have been increasing from 15,015 in 1995 to 15,829 in 1999.
- ◆ The hospital has experienced significant volume variation, with daily census ranging from 140 to 190. This leads to challenges as the hospital seeks efficient staffing levels.
- ◆ New Britain's payment to cost ratios show Medicaid payments below cost, declining Medicare reimbursement, and a tightening commercial payer market.
- ◆ Pharmaceutical expenses have risen very rapidly, around 40 percent in 1999.
- ◆ The hospital has over \$70 million in endowment and cash reserves, providing significant investment earnings that offset operating losses.
- ◆ New Britain has hired staff dedicated to seeking timely and accurate payment from managed care companies. The hospital also acquired a computer system to assist with the process.
- ◆ Inpatient psychiatry is a large program at New Britain, representing 12 percent of inpatients.

SITE VISIT ISSUES RAISED BY HOSPITAL MANAGEMENT

Integrated Delivery System. New Britain was aggressive in implementing an integrated delivery system strategy a few years ago. The strategy was unsuccessful and led to significant losses. The hospital recently allocated resources to divest physician practices and dissolve related structures.

Capital. Due to financial constraints and a desire to remain in compliance with bond covenants, the hospital has curtailed capital expenditures.

Managed Care. In addition to late and inaccurate payment from managed care companies, New Britain is concerned with the increasing number of managed care "carve-out" services.

Medical Staff. The hospital experiences high levels of competition with its medical staff. The largest group practice in Connecticut, owned by a for-profit company, is located in New Britain and comprises one-third of the hospital's medical staff. Physicians have developed diagnostic and treatment facilities that draw insured patients away from the hospital.

Behavioral Health. Behavioral health challenges have affected the hospital dramatically.