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Check if Schedule O contains a response to any question in this Part III . . . . . ☐

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, A TEACHING HOSPITAL OF THE WARREN ALPERT SCHOOL OF MEDICINE AT BROWN UNIVERSITY, IS COMMITTED TO IMPROVING THE HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARDLESS OF ABILITY TO PAY PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT

If "Yes," describe these new services on Schedule O

If "Yes," describe these changes on Schedule O

THE HOSPITAL IS THE REGIONAL CENTER FOR WOMEN AND INFANTS HEALTHCARE IN RHODE ISLAND AND ENVIRONS, PROVIDING CARE IN THE AREAS OF OBSTETRICS, NEONATAL INTENSIVE CARE, REPRODUCTIVE ENDOCRINOLOGY, MATERNAL FETAL MEDICINE AND GYNECOLOGY. PLEASE REFER TO SCHEDULE O FOR THE ORGANIZATION'S COMMUNITY BENEFIT STATEMENT.

[illegible][illegible]

<b>4e</b>	<b>Total program service expenses</b>	<b>\$ 394,812,273</b>
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Part IV

Checklist of Required Schedules

		Yes	No
1	Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A.	Yes	
2	Is the organization required to complete Schedule B, Schedule of Contributors (see instructions)?	Yes	
3	Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I.		No
4	<b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If "Yes," complete Schedule C, Part II.	Yes	
5	Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If "Yes," complete Schedule C, Part III.		
6	Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I.		No
7	Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If "Yes," complete Schedule D, Part II.		No
8	Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III.		No
9	Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV.		No
10	Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? If "Yes," complete Schedule D, Part V.	Yes	
11	If the organization's answer to any of the following questions is 'Yes,' then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a	Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	Yes	
b	Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.		No
c	Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	Yes	
d	Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.		No
e	Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	Yes	
f	Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If "Yes," complete Schedule D, Part X.		No
12a	Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.		No
b	Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional.	Yes	
13	Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E.		No
14a	Did the organization maintain an office, employees, or agents outside of the United States?		No
b	Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? If "Yes," complete Schedule F, Part I.	Yes	
15	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the U S? If "Yes," complete Schedule F, Part II and IV.	Yes	
16	Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the U S? If "Yes," complete Schedule F, Part III and IV.		No
17	Did the organization report a total of more than \$15,000, of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I.		No
18	Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II.	Yes	
19	Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.		No
20a	Did the organization operate one or more hospitals? If "Yes," complete Schedule H.	Yes	
b	If "Yes" to line 20a, did the organization attach its audited financial statement to this return? <b>Note.</b> All Form 990 filers that operated one or more hospitals must attach audited financial statements.	Yes	

Part IV

Checklist of Required Schedules (continued)

21	Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II</i> . . . . .	21	Yes	
22	Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III</i> . . . . .	22		No
23	Did the organization answer "Yes" to Part VII, Section A, questions 3, 4, or 5, about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J</i> . . . . .	23	Yes	
24a	Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer questions 24b–24d and complete Schedule K. If "No," go to line 25</i> . . . . .	24a		No
b	Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception? . . . .	24b		
c	Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds? . . . . .	24c		
d	Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year? . . . .	24d		
25a	<b>Section 501(c)(3) and 501(c)(4) organizations.</b> Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25a		No
b	Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I</i> . . . . .	25b		No
26	Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II</i> . . . . .	26		No
27	Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III</i> . . . . .	27		No
28	Was the organization a party to a business transaction with one of the following parties? (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)			
a	A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28a		No
b	A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28b	Yes	
c	An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or owner? <i>If "Yes," complete Schedule L, Part IV</i> . . . . .	28c	Yes	
29	Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M</i> . . . . .	29	Yes	
30	Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M</i> . . . . .	30		No
31	Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I</i> . . . . .	31		No
32	Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II</i> . . . . .	32		No
33	Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I</i> . . . . .	33	Yes	
34	Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1</i> . . . . .	34	Yes	
35a	Is any related organization a controlled entity of the filing organization within the meaning of section 512(b)(13)?	35a	Yes	
b	Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	35b		No
36	<b>Section 501(c)(3) organizations.</b> Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2</i> . . . . .	36		No
37	Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI</i> . . . . .	37		No
38	Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? <b>Note.</b> All Form 990 filers are required to complete Schedule O . . . . .	38	Yes	

<b>Part V</b> <b>Statements Regarding Other IRS Filings and Tax Compliance</b>						
Check if Schedule O contains a response to any question in this Part V <input type="checkbox"/>						
		<b>Yes</b>	<b>No</b>			
<b>1a</b>	Enter the number reported in Box 3 of Form 1096. Enter -0- if not applicable. .	<b>1a</b>	419			
<b>b</b>	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable.	<b>1b</b>	0			
<b>c</b>	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	<b>1c</b>	Yes			
<b>2a</b>	Enter the number of employees reported on Form W-3, <i>Transmittal of Wage and Tax Statements</i> filed for the calendar year ending with or within the year covered by this return.	<b>2a</b>	3,191			
<b>b</b>	If at least one is reported on line 2a, did the organization file all required federal employment tax returns?  <b>Note.</b> If the sum of lines 1a and 2a is greater than 250, you may be required to e-file (see instructions).	<b>2b</b>	Yes			
<b>3a</b>	Did the organization have unrelated business gross income of \$1,000 or more during the year?	<b>3a</b>				No
<b>b</b>	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O.	<b>3b</b>				
<b>4a</b>	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account or securities account)?	<b>4a</b>	Yes			
<b>b</b>	If "Yes," enter the name of the foreign country: <u>CJ</u> See instructions for filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.					
<b>5a</b>	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	<b>5a</b>				No
<b>b</b>	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	<b>5b</b>				No
<b>c</b>	If "Yes" to line 5a or 5b, did the organization file Form 8886-T?	<b>5c</b>				
<b>6a</b>	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	<b>6a</b>				No
<b>b</b>	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	<b>6b</b>				
<b>7</b>	<b>Organizations that may receive deductible contributions under section 170(c).</b>					
<b>a</b>	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	<b>7a</b>	Yes			
<b>b</b>	If "Yes," did the organization notify the donor of the value of the goods or services provided?	<b>7b</b>	Yes			
<b>c</b>	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	<b>7c</b>				No
<b>d</b>	If "Yes," indicate the number of Forms 8282 filed during the year.	<b>7d</b>				
<b>e</b>	Did the organization receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	<b>7e</b>				No
<b>f</b>	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	<b>7f</b>				No
<b>g</b>	If the organization received a contribution of qualified intellectual property, did the organization file Form 8899 as required?	<b>7g</b>				
<b>h</b>	If the organization received a contribution of cars, boats, airplanes, or other vehicles, did the organization file a Form 1098-C?	<b>7h</b>				
<b>8</b>	<b>Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations.</b> Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	<b>8</b>				
<b>9</b>	<b>Sponsoring organizations maintaining donor advised funds.</b>					
<b>a</b>	Did the organization make any taxable distributions under section 4966?	<b>9a</b>				
<b>b</b>	Did the organization make a distribution to a donor, donor advisor, or related person?	<b>9b</b>				
<b>10</b>	<b>Section 501(c)(7) organizations.</b> Enter					
<b>a</b>	Initiation fees and capital contributions included on Part VIII, line 12.	<b>10a</b>				
<b>b</b>	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities.	<b>10b</b>				
<b>11</b>	<b>Section 501(c)(12) organizations.</b> Enter					
<b>a</b>	Gross income from members or shareholders.	<b>11a</b>				
<b>b</b>	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them).	<b>11b</b>				
<b>12a</b>	<b>Section 4947(a)(1) non-exempt charitable trusts.</b> Is the organization filing Form 990 in lieu of Form 1041?	<b>12a</b>				
<b>b</b>	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	<b>12b</b>				
<b>13</b>	<b>Section 501(c)(29) qualified nonprofit health insurance issuers.</b>					
<b>a</b>	Is the organization licensed to issue qualified health plans in more than one state? <b>Note.</b> All 501(c)(29) organizations must list in Schedule O each state in which they are licensed to issue qualified health plans, the amount of reserves required by each state, and the amount of reserves the organization allocated to each state.	<b>13a</b>				
<b>b</b>	Enter the aggregate amount of reserves the organization is required to maintain by the states in which the organization is licensed to issue qualified health plans.	<b>13b</b>				
<b>c</b>	Enter the aggregate amount of reserves on hand.	<b>13c</b>				
<b>14a</b>	Did the organization receive any payments for indoor tanning services during the tax year?	<b>14a</b>				No
<b>b</b>	If "Yes," has it filed a Form 720 to report these payments? If "No," provide an explanation in Schedule O.	<b>14b</b>				

Part VI

Governance, Management, and Disclosure

For each "Yes" response to lines 2 through 7b below, and for a "No" response to lines 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.  
Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a	Enter the number of voting members of the governing body at the end of the tax year		
1b	Enter the number of voting members included in line 1a, above, who are independent		
2	Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	Yes	
3	Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	Yes	
4	Did the organization make any significant changes to its governing documents since the prior Form 990 was filed?	Yes	
5	Did the organization become aware during the year of a significant diversion of the organization's assets?		No
6	Did the organization have members or stockholders?	Yes	
7a	Did the organization have members, stockholders, or other persons who had the power to elect or appoint one or more members of the governing body?	Yes	
7b	Are any governance decisions of the organization reserved to (or subject to approval by) members, stockholders, or persons other than the governing body?	Yes	
8	Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following		
8a	The governing body?	Yes	
8b	Each committee with authority to act on behalf of the governing body?	Yes	
9	Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O		No

Section B. Policies

(This Section B requests information about policies not required by the Internal Revenue Code.)

		Yes	No
10a	Did the organization have local chapters, branches, or affiliates?		No
10b	If "Yes," did the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with the organization's exempt purposes?		
11a	Has the organization provided a complete copy of this Form 990 to all members of its governing body before filing the form?	Yes	
11b	Describe in Schedule O the process, if any, used by the organization to review the Form 990		
12a	Did the organization have a written conflict of interest policy? If "No," go to line 13	Yes	
12b	Were officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	Yes	
12c	Did the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this was done	Yes	
13	Did the organization have a written whistleblower policy?	Yes	
14	Did the organization have a written document retention and destruction policy?	Yes	
15	Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
15a	The organization's CEO, Executive Director, or top management official	Yes	
15b	Other officers or key employees of the organization	Yes	
	If "Yes," to line 15a or 15b, describe the process in Schedule O (see instructions)		
16a	Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?		No
16b	If "Yes," did the organization follow a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and take steps to safeguard the organization's exempt status with respect to such arrangements?		

Section C. Disclosure

17	List the States with which a copy of this Form 990 is required to be filed	MA
18	Section 6104 requires an organization to make its Form 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply. <input type="checkbox"/> Own website <input type="checkbox"/> Another's website <input checked="" type="checkbox"/> Upon request	
19	Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public. See Additional Data Table.	
20	State the name, physical address, and telephone number of the person who possesses the books and records of the organization.	ROBERT PACHECO 101 DUDLEY STREET PROVIDENCE, RI 02905 (401) 274-1122

Check if Schedule O contains a response to any question in this Part VII . . . . .

**1a** Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons

☐ Check this box if neither the organization nor any related organizations compensated any current or former officer, director, or trustee

[illegible]



## Part VII

<b>1b</b>	<b>Sub-Total</b>			
<b>c</b>	<b>Total from continuation sheets to Part VII, Section A</b>			
<b>d</b>	<b>Total (add lines 1b and 1c)</b>	8,662,657	1,378,949	1,588,790

**2** Total number of individuals (including but not limited to those listed in Item 1) who received more than \$100,000 of reportable compensation from the organization. 304

		Yes	No
3	Did the organization list any <b>former</b> officer, director or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	3 Yes	
4	For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i> . . . . .	4 Yes	
5	Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i> . . . . .	5	No

## Section B. Independent Contractors

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
PURITY SERVICES 405 MYRTLE STREET NEW BEDFORD, MA 02746	LAUNDRY	1,068,849
ROBERTS CARROLL FELDSTEIN PEIRCE 10 WEYBOSSET STREET PROVIDENCE, RI 02903	LEGAL	1,034,175
MAYO COLLABORATIVE SERVICES PO BOX 4100 ROCHESTER, MN 55903	LABORATORY	724,295
UNIVERSITY SURGICAL ASSOCIATES 200 METRO CENTER WARWICK, RI 02886	PROFESSIONAL	679,900
NOW DELIVERY PO BOX 6945 PROVIDENCE, RI 02940	LAB COURIER	616,350
<b>2</b> Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 of compensation from the organization <b>27</b>		

Part VIII

Statement of Revenue

				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
Contributions, gifts, grants and other similar amounts	1a	Federated campaigns . . .	1a					
	b	Membership dues . . . . .	1b					
	c	Fundraising events . . . . .	1c	107,168				
	d	Related organizations . . . .	1d					
	e	Government grants (contributions)	1e	75,000				
	f	All other contributions, gifts, grants, and similar amounts not included above	1f	3,362,136				
	g	Noncash contributions included in lines 1a-1f \$ 63,683						
	h	Total. Add lines 1a-1f . . . . .		3,544,304				
Program Service Revenue			Business Code					
	2a	NET PATIENT SERVICE REVENUE	541900	392,411,784	392,411,784			
	b	OTHER HEALTHCARE RELATED REVENUE	541900	45,155,161	45,155,161			
	c							
	d							
	e							
	f	All other program service revenue						
	g	Total. Add lines 2a-2f . . . . .		437,566,945				
Other Revenue	3	Investment income (including dividends, interest and other similar amounts) . . . . .		1,608,334			1,608,334	
	4	Income from investment of tax-exempt bond proceeds . .		0				
	5	Royalties . . . . .		0				
	6a	Gross rents	(i) Real	(ii) Personal				
	b	Less rental expenses						
	c	Rental income or (loss)						
	d	Net rental income or (loss) . . . . .						
	7a	Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			4,057,025	65,708				
			3,902,845					
			154,180	65,708				
	d	Net gain or (loss) . . . . .		219,888			219,888	
	8a	Gross income from fundraising events (not including \$ 107,168 of contributions reported on line 1c) See Part IV, line 18 . . . . .	a	52,838				
	b	Less direct expenses . . . . .	b	52,838				
	c	Net income or (loss) from fundraising events . .		0				
	9a	Gross income from gaming activities See Part IV, line 19 . . . . .	a					
	b	Less direct expenses . . . . .	b					
	c	Net income or (loss) from gaming activities . .		0				
	10a	Gross sales of inventory, less returns and allowances . . . . .	a					
	b	Less cost of goods sold . . . . .	b					
	c	Net income or (loss) from sales of inventory . .		0				
	Miscellaneous Revenue		Business Code					
	11a	CAFETERIA REVENUE	722210	712,220				712,220
b	GIFT SHOP REVENUE	452000	51,977				51,977	
c	PARKING REVENUE	812930	38,475				38,475	
d	All other revenue . . . . .		2,929				2,929	
e	Total. Add lines 11a-11d . . . . .		805,601					
12	Total revenue. See Instructions . . . . .		443,745,072	437,566,945			2,633,823	

Part IX

Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D)

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the United States See Part IV, line 21	784,213	784,213		
2	Grants and other assistance to individuals in the United States See Part IV, line 22	0			
3	Grants and other assistance to governments, organizations, and individuals outside the United States See Part IV, lines 15 and 16	130,211	130,211		
4	Benefits paid to or for members	0			
5	Compensation of current officers, directors, trustees, and key employees . . . . .	6,811,016	6,129,917	681,099	0
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	0			
7	Other salaries and wages	186,932,058	167,712,760	18,634,751	584,547
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions) . . . . .	11,678,268	10,510,441	1,167,827	
9	Other employee benefits . . . . .	37,448,511	33,703,660	3,744,851	
10	Payroll taxes . . . . .	13,523,890	12,171,501	1,352,389	
11	Fees for services (non-employees)				
a	Management . . . . .	0			
b	Legal . . . . .	731,364	658,228	73,136	
c	Accounting . . . . .	0			
d	Lobbying . . . . .	84,537	76,083	8,454	
e	Professional fundraising See Part IV, line 17 . . . . .	0			
f	Investment management fees . . . . .	0			
g	Other . . . . .	2,435,235	2,095,353	232,817	107,065
12	Advertising and promotion . . . . .	812,554	696,135	77,348	39,071
13	Office expenses . . . . .	3,797,960	3,356,617	372,957	68,386
14	Information technology . . . . .	0			
15	Royalties . . . . .	0			
16	Occupancy . . . . .	6,928,140	6,235,326	692,814	
17	Travel . . . . .	327,427	294,684	32,743	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19	Conferences, conventions, and meetings . . . . .	576,198	513,009	57,001	6,188
20	Interest . . . . .	2,195,384	1,975,846	219,538	
21	Payments to affiliates . . . . .	0			
22	Depreciation, depletion, and amortization . . . . .	14,135,689	12,722,120	1,413,569	
23	Insurance . . . . .	15,093,139	13,583,825	1,509,314	
24	Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O )				
a	PURCHASED SERVICES	62,636,490	56,314,581	6,257,176	64,733
b	MEDICAL SUPPLIES	30,078,833	27,070,950	3,007,883	0
c	LICENSURE FEE	18,388,596	18,388,596	0	0
d	RESEARCH EXPENSES	15,840,307	15,840,307	0	0
e					
f	All other expenses	4,289,046	3,847,910	427,546	13,590
25	Total functional expenses. Add lines 1 through 24f	435,659,066	394,812,273	39,963,213	883,580
26	Joint costs. Check here <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X

Balance Sheet

					(A)		(B)
					Beginning of year		End of year
Assets	1	Cash—non-interest-bearing . . . . .			0	1	0
	2	Savings and temporary cash investments . . . . .			21,252,075	2	44,566,816
	3	Pledges and grants receivable, net . . . . .			1,722,145	3	1,475,838
	4	Accounts receivable, net . . . . .			52,625,190	4	45,926,720
	5	Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L . . . . .			0	5	0
	6	Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L . . . . .			0	6	0
	7	Notes and loans receivable, net . . . . .			12,895,223	7	21,041,706
	8	Inventories for sale or use . . . . .			490,089	8	686,106
	9	Prepaid expenses and deferred charges . . . . .			1,899,683	9	2,136,661
	10a	Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D . . . . .	10a	342,061,005			
	b	Less: accumulated depreciation . . . . .	10b	189,093,522	155,884,601	10c	152,967,483
	11	Investments—publicly traded securities . . . . .			0	11	0
	12	Investments—other securities. See Part IV, line 11 . . . . .			0	12	0
	13	Investments—program-related. See Part IV, line 11 . . . . .			60,640,599	13	57,531,367
	14	Intangible assets . . . . .			0	14	0
	15	Other assets. See Part IV, line 11 . . . . .			6,867,784	15	6,415,068
	16	<b>Total assets.</b> Add lines 1 through 15 (must equal line 34) . . . . .			314,277,389	16	332,747,765
Liabilities	17	Accounts payable and accrued expenses . . . . .			36,666,176	17	43,668,561
	18	Grants payable . . . . .			0	18	0
	19	Deferred revenue . . . . .			2,231,681	19	1,906,792
	20	Tax-exempt bond liabilities . . . . .			0	20	0
	21	Escrow or custodial account liability. Complete Part IV of Schedule D . . . . .			0	21	0
	22	Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L . . . . .			0	22	0
	23	Secured mortgages and notes payable to unrelated third parties . . . . .			2,918,980	23	2,406,250
	24	Unsecured notes and loans payable to unrelated third parties . . . . .			0	24	0
	25	Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D . . . . .			118,607,643	25	121,530,743
	26	<b>Total liabilities.</b> Add lines 17 through 25 . . . . .			160,424,480	26	169,512,346
Net Assets or Fund Balances	<b>Organizations that follow SFAS 117, check here</b> <input checked="" type="checkbox"/> <b>and complete lines 27 through 29, and lines 33 and 34.</b>						
	27	Unrestricted net assets . . . . .			125,225,147	27	149,515,081
	28	Temporarily restricted net assets . . . . .			24,492,709	28	9,520,846
	29	Permanently restricted net assets . . . . .			4,135,053	29	4,199,492
	<b>Organizations that do not follow SFAS 117, check here</b> <input type="checkbox"/> <b>and complete lines 30 through 34.</b>						
	30	Capital stock or trust principal, or current funds . . . . .				30	
	31	Paid-in or capital surplus, or land, building or equipment fund . . . . .				31	
	32	Retained earnings, endowment, accumulated income, or other funds . . . . .				32	
	33	<b>Total net assets or fund balances</b> . . . . .			153,852,909	33	163,235,419
	34	<b>Total liabilities and net assets/fund balances</b> . . . . .			314,277,389	34	332,747,765

Part XI Reconciliation of Net Assets

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	443,745,072
2	Total expenses (must equal Part IX, column (A), line 25)	2	435,659,066
3	Revenue less expenses Subtract line 2 from line 1	3	8,086,006
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	153,852,909
5	Other changes in net assets or fund balances (explain in Schedule O)	5	1,296,504
6	Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	163,235,419

Part XII Financial Statements and Reporting

Check if Schedule O contains a response to any question in this Part XII

		Yes	No
1	Accounting method used to prepare the Form 990 <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Accrual <input type="checkbox"/> Other If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O		
2a	Were the organization's financial statements compiled or reviewed by an independent accountant?		No
b	Were the organization's financial statements audited by an independent accountant?	Yes	
c	If "Yes," to 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O	Yes	
d	If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both <input type="checkbox"/> Separate basis <input checked="" type="checkbox"/> Consolidated basis <input type="checkbox"/> Both consolidated and separated basis		
3a	As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?	Yes	
b	If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits	Yes	

Additional Data

Software ID:

Software Version:

EIN: 05-0258937

Name: WOMEN & INFANTS HOSPITAL OF RI

Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
GEORGE W SHUSTER CHAIRMAN - DIRECTOR	1 0	X		X				0	2,189	0
CHARLES R REPPUCCI ESQ VICE CHAIRMAN - DIRECTOR	1 0	X		X				0	0	0
CYNTHIA B PATTERSON SECRETARY - DIRECTOR	1 0	X		X				0	0	0
DOUGLAS JACOBS TREASURER - DIRECTOR	1 0	X		X				0	0	0
ALLEN H CICCHITELLI DIRECTOR	1 0	X						0	0	0
EDWARD J COONEY DIRECTOR	1 0	X						0	0	0
ESTHER EMARD DIRECTOR	1 0	X						0	0	0
ROBERT G FLANDERS JR ESQ DIRECTOR	1 0	X						0	0	0
JOHN R GALVIN DIRECTOR	1 0	X						0	0	0
KENT W GLADDING DIRECTOR	1 0	X						0	0	0
DUANE T GOLOMB MD DIRECTOR	5 0	X						0	10,600	0
CONSTANCE A HOWES JD FACHE DIRECTOR - PRESIDENT AND CEO	55 0	X		X				803,609	0	201,938
DENNIS D KEEFE DIRECTOR - PRESIDENT/CEO/CNE	55 0	X		X				0	362,570	215,857
JOSEPH J MCGAIR ESQ DIRECTOR	1 0	X						0	0	0
ROBERT G PADULA DIRECTOR	1 0	X						0	0	0
LISA B SHEA MD DIRECTOR/BH ASSOC MED DIR Q&R	55 0	X						0	265,030	21,248
SANTINA L SIENA MD DIRECTOR	10 0	X						31,510	0	8,403
JOSEPH W SPINALE DO FACC FACP DIRECTOR	55 0	X						0	176,296	17,832
MARIBETH WILLIAMSON DIRECTOR	1 0	X						0	0	0
ALYSSA BOSS ESQ ASST SEC/SVP & GENERAL COUNSEL	55 0			X				270,485	0	74,583
JOHN M SUTHERLAND III ASST TRES/PRES W&I INDEM LTD	55 0			X				903,656	0	162,299
MARK MARCANTANO EXECUTIVE VICE PRESIDENT/COO	55 0			X				522,450	0	130,688
RAYMOND POWRIE MD SENIOR VICE PRESIDENT-QUALITY	55 0			X				469,172	0	93,587
GAIL COSTA SR VP - PLANNING CNE	55 0			X				386,214	0	108,621
KAREN DAVIE SR VP - PHILANTHROPY & GOV	55 0			X				363,476	0	83,947

**Form 990, Part VII - Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional Trustee	Officer	Key employee	Highest compensated employee	Former			
DEBRA M PAUL CPA MBATERM 101111 SR VP & CFO	55 0			X				0	295,401	24,652
ANGELLENE PETERS-LEWISEFF 22712 SR VP - PATIENT CARE SERVICES	55 0			X				0	0	0
CORNELIUS GRANAI MD VICE PRESIDENT	55 0			X				657,470	0	20,893
THOMAS R COURAGE ESQ RET 123111 ASST SEC/SVP & GENERAL COUNSEL	55 0			X				481,211	0	132,783
MAYBELLE KERNAN VP MKTG & PUBLIC RELATIONS	55 0			X				335,445	0	105,019
THOMAS HUGHES VP - PATIENT SUPPORT SERVICES	55 0			X				242,244	0	21,800
PAUL F HEFFERNAN VP - HUMAN RESOURCES	55 0			X				61,921	153,797	10,560
JAMES GILMORE EFF 061411 VP PROPERTY & INFSTR SUPPORT	55 0			X				88,591	0	0
PAUL QUINN EFF 102411 VP PHYSICIAN SVCS & FCLTY ENT	55 0			X				48,930	0	71
JOANNA CAIN MD TERM 122710 CHAIR OB/GYN	55 0					X		560,182	0	19,267
WILLIAM LAWRENCE MD CHIEF OF PATHOLOGY	55 0					X		520,382	0	21,825
JAMES F PADBURY MD CHIEF OF PEDIATRICS	55 0					X		483,266	0	89,405
CHRISTY DIBBLE MD PHYSICIAN	55 0					X		468,700	0	2,340
KATHARINE WENSTROM MD DIR MATERNAL FETAL MEDICINE	55 0					X		450,493	0	3,165
PATRICE DIMARIO FORMER SR VP PATIENT SUPP SERV							X	161,903	0	2,535
SUSAN E MAXWELL FORMER SR VP PATIENT CARE SERV							X	152,201	0	1,114
JANET SCHIPPER FORMER OFFICER							X	141,876	0	755
JOSEPH RODA FORMER INTERIM VP - HR							X	57,270	113,066	13,603

SCHEDULE A

(Form 990 or 990EZ)

Department of the Treasury  
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public  
Inspection

Name of the organization WOMEN & INFANTS HOSPITAL OF RI	Employer identification number 05-0258937
--	--

Part I

Reason for Public Charity Status (All organizations must complete this part.) See instructions

The organization is not a private foundation because it is (For lines 1 through 11, check only one box )

- 1

☐

A church, convention of churches, or association of churches **section 170(b)(1)(A)(i).**
- 2

☐

A school described in **section 170(b)(1)(A)(ii).** (Attach Schedule E )
- 3

☒

A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii).**
- 4

☐

A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii).** Enter the hospital's name, city, and state
- 5

☐

An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv).** (Complete Part II )
- 6

☐

A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v).**
- 7

☐

An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 8

☐

A community trust described in **section 170(b)(1)(A)(vi)** (Complete Part II )
- 9

☐

An organization that normally receives (1) more than 33 1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33 1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975 See **section 509(a)(2).** (Complete Part III )
- 10

☐

An organization organized and operated exclusively to test for public safety See**section 509(a)(4).**
- 11

☐

An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2) See **section 509(a)(3).** Check the box that describes the type of supporting organization and complete lines 11e through 11h  

a

☐

Type I

b

☐

Type II

c

☐

Type III - Functionally integrated

d

☐

Type III - Other

e

☐

By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2)

f

☐

If the organization received a written determination from the IRS that it is a Type I, Type II or Type III supporting organization, check this box

g

☐

Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?  

(i)

a person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the the supported organization?

(ii)

a family member of a person described in (i) above?

(iii)

a 35% controlled entity of a person described in (i) or (ii) above?

h

☐

Provide the following information about the supported organization(s)

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1- 9 above or IRC section (see instructions))	(iv) Is the organization in col (i) listed in your governing document?		(v) Did you notify the organization in col (i) of your support?		(vi) Is the organization in col (i) organized in the U S ?		(vii) Amount of support?
			Yes	No	Yes	No	Yes	No	
Total									



Part II

Support Schedule for Organizations Described in IRC 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)  
(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants ")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 <b>Total.</b> Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 <b>Public Support.</b> Subtract line 5 from line 4						

Section B. Total Support							
Calendar year (or fiscal year beginning in)		(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
7	Amounts from line 4						
8	Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9	Net income from unrelated business activities, whether or not the business is regularly carried on						
10	Other income (Explain in Part IV ) Do not include gain or loss from the sale of capital assets						
11	Total support (Add lines 7 through 10)						
12	Gross receipts from related activities, etc (See instructions )					12	
13	First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and stop here						

Section C. Computation of Public Support Percentage		
14	Public Support Percentage for 2011 (line 6 column (f) divided by line 11 column (f))	14
15	Public Support Percentage for 2010 Schedule A, Part II, line 14	15
16a	<b>33 1/3% support test—2011.</b> If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>33 1/3% support test—2010.</b> If the organization did not check the box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and <b>stop here.</b> The organization qualifies as a publicly supported organization	<input type="checkbox"/>
17a	<b>10%-facts-and-circumstances test—2011.</b> If the organization did not check a box on line 13, 16a, or 16b and line 14 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
b	<b>10%-facts-and-circumstances test—2010.</b> If the organization did not check a box on line 13, 16a, 16b, or 17a and line 15 is 10% or more, and if the organization meets the "facts and circumstances" test, check this box and <b>stop here.</b> Explain in Part IV how the organization meets the "facts and circumstances" test The organization qualifies as a publicly supported organization	<input type="checkbox"/>
18	<b>Private Foundation</b> If the organization did not check a box on line 13, 16a, 16b, 17a or 17b, check this box and see instructions	<input type="checkbox"/>

Part IIIPart III

Support Schedule for Organizations Described in IRC 509(a)(2)  
(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public Support (Subtract line 7c from line 6 )						

Section B. Total Support						
Calendar year (or fiscal year beginning in)	(a) 2007	(b) 2008	(c) 2009	(d) 2010	(e) 2011	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support (Add lines 9, 10c, 11 and 12.)						
14 First Five Years If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a 501(c)(3) organization, check this box and <b>stop here</b>						

Section C. Computation of Public Support Percentage			
15 Public Support Percentage for 2011 (line 8 column (f) divided by line 13 column (f))	15		
16 Public support percentage from 2010 Schedule A, Part III, line 15	16		

Section D. Computation of Investment Income Percentage			
17 Investment income percentage for 2011 (line 10c column (f) divided by line 13 column (f))	17		
18 Investment income percentage from 2010 Schedule A, Part III, line 17	18		
19a 33 1/3% support tests—2011. If the organization did not check the box on line 14, and line 15 is more than 33 1/3% and line 17 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization			
b 33 1/3% support tests—2010. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3% and line 18 is not more than 33 1/3%, check this box and <b>stop here</b> . The organization qualifies as a publicly supported organization			
20 Private Foundation If the organization did not check a box on line 14, 19a or 19b, check this box and see instructions			

**Part IV** **Supplemental Information.** Supplemental Information. Complete this part to provide the explanation required by Part II, line 10; Part II, line 17a or 17b; or Part III, line 12. Also complete this part for any additional information. (See instructions).

Facts And Circumstances Test

Explanation

SCHEDULE C  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

Political Campaign and Lobbying Activities

For Organizations Exempt From Income Tax Under section 501(c) and section 527

▶ Complete if the organization is described below.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

If the organization answered “Yes,” to Form 990, Part IV, Line 3, or Form 990-EZ, Part V, line 46 (Political Campaign Activities), then

- Section 501(c)(3) organizations Complete Parts I-A and B Do not complete Part I-C
- Section 501(c) (other than section 501(c)(3)) organizations Complete Parts I-A and C below Do not complete Part I-B
- Section 527 organizations Complete Part I-A only

If the organization answered “Yes,” to Form 990, Part IV, Line 4, or Form 990-EZ, Part VI, line 47 (Lobbying Activities), then

- Section 501(c)(3) organizations that have filed Form 5768 (election under section 501(h)) Complete Part II-A Do not complete Part II-B
- Section 501(c)(3) organizations that have NOT filed Form 5768 (election under section 501(h)) Complete Part II-B Do not complete Part II-A

If the organization answered “Yes,” to Form 990, Part IV, Line 5 (Proxy Tax) or Form 990-EZ, line 35c (Proxy Tax), then

- Section 501(c)(4), (5), or (6) organizations Complete Part III

Name of the organization WOMEN & INFANTS HOSPITAL OF RI	Employer identification number 05-0258937
--	--

Part I-A Complete if the organization is exempt under section 501(c) or is a section 527 organization.

1	Provide a description of the organization's direct and indirect political campaign activities on behalf of or in opposition to candidates for public office in Part IV	
2	Political expenditures	▶ \$
3	Volunteer hours	

Part I-B Complete if the organization is exempt under section 501(c)(3).

1	Enter the amount of any excise tax incurred by the organization under section 4955	▶ \$
2	Enter the amount of any excise tax incurred by organization managers under section 4955	▶ \$
3	If the organization incurred a section 4955 tax, did it file Form 4720 for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4a	Was a correction made?	<input type="checkbox"/> Yes <input type="checkbox"/> No
b	If "Yes," describe in Part IV	

Part I-C Complete if the organization is exempt under section 501(c) except section 501(c)(3).

1	Enter the amount directly expended by the filing organization for section 527 exempt function activities	▶ \$
2	Enter the amount of the filing organization's funds contributed to other organizations for section 527 exempt funtion activities	▶ \$
3	Total exempt function expenditures Add lines 1 and 2 Enter here and on Form 1120-POL, line 17b	▶ \$
4	Did the filing organization file Form 1120-POL for this year?	<input type="checkbox"/> Yes <input type="checkbox"/> No
5	Enter the names, addresses and employer identification number (EIN) of all section 527 political organizations to which the filing organization made payments For each organization listed, enter the amount paid from the filing organization's funds Also enter the amount of political contributions received that were promptly and directly delivered to a separate political organization, such as a separate segregated fund or a political action committee (PAC) If additional space is needed, provide information in Part IV	

(a) Name	(b) Address	(c) EIN	(d) Amount paid from filing organization's funds If none, enter -0-	(e) Amount of political contributions received and promptly and directly delivered to a separate political organization If none, enter -0-

Part II-A

Complete if the organization is exempt under section 501(c)(3) and filed Form 5768 (election under section 501(h)).

- A

Check

☐

if the filing organization belongs to an affiliated group (and list in Part IV each affiliated group member's name, address, EIN, expenses, and share of excess lobbying expenditures)
- B

Check

☐

if the filing organization checked box A and "limited control" provisions apply

Limits on Lobbying Expenditures (The term "expenditures" means amounts paid or incurred.)		(a) Filing Organization's Totals	(b) Affiliated Group Totals												
1a Total lobbying expenditures to influence public opinion (grass roots lobbying)															
b Total lobbying expenditures to influence a legislative body (direct lobbying)															
c Total lobbying expenditures (add lines 1a and 1b)															
d Other exempt purpose expenditures															
e Total exempt purpose expenditures (add lines 1c and 1d)															
f Lobbying nontaxable amount Enter the amount from the following table in both columns															
<table><tr><td>If the amount on line 1e, column (a) or (b) is:</td><td>The lobbying nontaxable amount is:</td></tr><tr><td>Not over \$500,000</td><td>20% of the amount on line 1e</td></tr><tr><td>Over \$500,000 but not over \$1,000,000</td><td>\$100,000 plus 15% of the excess over \$500,000</td></tr><tr><td>Over \$1,000,000 but not over \$1,500,000</td><td>\$175,000 plus 10% of the excess over \$1,000,000</td></tr><tr><td>Over \$1,500,000 but not over \$17,000,000</td><td>\$225,000 plus 5% of the excess over \$1,500,000</td></tr><tr><td>Over \$17,000,000</td><td>\$1,000,000</td></tr></table>		If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:	Not over \$500,000	20% of the amount on line 1e	Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000	Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000	Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000	Over \$17,000,000	\$1,000,000		
If the amount on line 1e, column (a) or (b) is:	The lobbying nontaxable amount is:														
Not over \$500,000	20% of the amount on line 1e														
Over \$500,000 but not over \$1,000,000	\$100,000 plus 15% of the excess over \$500,000														
Over \$1,000,000 but not over \$1,500,000	\$175,000 plus 10% of the excess over \$1,000,000														
Over \$1,500,000 but not over \$17,000,000	\$225,000 plus 5% of the excess over \$1,500,000														
Over \$17,000,000	\$1,000,000														
g Grassroots nontaxable amount (enter 25% of line 1f)															
h Subtract line 1g from line 1a If zero or less, enter -0-															
i Subtract line 1f from line 1c If zero or less, enter -0-															
j If there is an amount other than zero on either line 1h or line 1i, did the organization file Form 4720 reporting section 4911 tax for this year?		<input type="checkbox"/> Yes <input type="checkbox"/> No													

4-Year Averaging Period Under Section 501(h)  
(Some organizations that made a section 501(h) election do not have to complete all of the five columns below. See the instructions for lines 2a through 2f on page 4.)

Lobbying Expenditures During 4-Year Averaging Period					
Calendar year (or fiscal year beginning in)	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) Total
2a Lobbying non-taxable amount					
b Lobbying ceiling amount (150% of line 2a, column(e))					
c Total lobbying expenditures					
d Grassroots non-taxable amount					
e Grassroots ceiling amount (150% of line 2d, column (e))					
f Grassroots lobbying expenditures					

Part II-B

Complete if the organization is exempt under section 501(c)(3) and has NOT filed Form 5768 (election under section 501(h)).

		(a)		(b)	
		Yes	No	Amount	
1	During the year, did the filing organization attempt to influence foreign, national, state or local legislation, including any attempt to influence public opinion on a legislative matter or referendum, through the use of				
	a	Volunteers?	No		
	b	Paid staff or management (include compensation in expenses reported on lines 1c through 1i)?	No		
	c	Media advertisements?	No		
	d	Mailings to members, legislators, or the public?	No		
	e	Publications, or published or broadcast statements?	No		
	f	Grants to other organizations for lobbying purposes?	No		
	g	Direct contact with legislators, their staffs, government officials, or a legislative body?	No		
	h	Rallies, demonstrations, seminars, conventions, speeches, lectures, or any similar means?	No		
	i	Other activities? If "Yes," describe in Part IV	Yes		84,537
	j	Total lines 1c through 1i			84,537
2a	Did the activities in line 1 cause the organization to be not described in section 501(c)(3)?		No		
b	If "Yes," enter the amount of any tax incurred under section 4912				
c	If "Yes," enter the amount of any tax incurred by organization managers under section 4912				
d	If the filing organization incurred a section 4912 tax, did it file Form 4720 for this year?				

Part III-A

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6).

		Yes	No
1	Were substantially all (90% or more) dues received nondeductible by members?	1	
2	Did the organization make only in-house lobbying expenditures of \$2,000 or less?	2	
3	Did the organization agree to carryover lobbying and political expenditures from the prior year?	3	

Part III-B

Complete if the organization is exempt under section 501(c)(4), section 501(c)(5), or section 501(c)(6) if BOTH Part III-A, lines 1 and 2 are answered "No" OR if Part III-A, line 3 is answered "Yes".

1	Dues, assessments and similar amounts from members	1	
2	Section 162(e) non-deductible lobbying and political expenditures (do not include amounts of political expenses for which the section 527(f) tax was paid).		
		2a	
		2b	
		2c	
3	Aggregate amount reported in section 6033(e)(1)(A) notices of nondeductible section 162(e) dues	3	
4	If notices were sent and the amount on line 2c exceeds the amount on line 3, what portion of the excess does the organization agree to carryover to the reasonable estimate of nondeductible lobbying and political expenditure next year?	4	
5	Taxable amount of lobbying and political expenditures (see instructions)	5	

Part IV

Supplemental Information

Complete this part to provide the descriptions required for Part I-A, line 1, Part I-B, line 4, Part I-C, line 5, and Part II-B, line 1i. Also, complete this part for any additional information.

Identifier	Return Reference	Explanation
LOBBYING ACTIVITIES	SCHEDULE C, PART II-B, LINE 1I	THE ORGANIZATION PAID AN OUTSIDE LOBBYING FIRM \$60,000 FOR LOBBYING ON A FEDERAL AND STATE LEVEL RELATED TO MEDICARE, MEDICAID AND OTHER HEALTHCARE LEGISLATIVE MATTERS. IN ADDITION, THE ORGANIZATION IS A MEMBER OF THE AMERICAN HOSPITAL ASSOCIATION ("AHA"), THE HOSPITAL ASSOCIATION OF RHODE ISLAND AND SAFETY NET HOSPITAL FOR PHARMACEUTICAL ACCESS WHICH ENGAGE IN LOBBYING EFFORTS ON BEHALF OF THEIR MEMBER HOSPITALS. A PORTION OF THE DUES PAID TO THESE ORGANIZATIONS HAVE BEEN ALLOCATED TO LOBBYING ACTIVITES PERFORMED ON BEHALF OF THE ORGANIZATION. THIS ALLOCATION AMOUNTED TO \$24,537.

SCHEDULE D  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b  
► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1	Total number at end of year	
2	Aggregate contributions to (during year)	
3	Aggregate grants from (during year)	
4	Aggregate value at end of year	
5	Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	
6	Did the organization inform all grantees, donors, and donor advisors in writing that grant funds may be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit	
	<div><input type="checkbox"/> Yes <input type="checkbox"/> No</div>	

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1

Purpose(s) of conservation easements held by the organization (check all that apply)  

☐ Preservation of land for public use (e g , recreation or pleasure) ☐ Preservation of an historically importantly land area  
☐ Protection of natural habitat ☐ Preservation of a certified historic structure  
☐ Preservation of open space

2

Complete lines 2a–2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

	Held at the End of the Year
a	Total number of conservation easements
b	Total acreage restricted by conservation easements
c	Number of conservation easements on a certified historic structure included in (a)
d	Number of conservation easements included in (c) acquired after 8/17/06

3

Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the taxable year ► \_\_\_\_\_

4

Number of states where property subject to conservation easement is located ► \_\_\_\_\_

5

Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds?

☐ Yes ☐ No

6

Staff and volunteer hours devoted to monitoring, inspecting and enforcing conservation easements during the year ► \_\_\_\_\_

7

Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year  
► \$ \_\_\_\_\_

8

Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and 170(h)(4)(B)(ii)?

☐ Yes ☐ No

9

In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a

If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items

b

If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i)

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

(ii)

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

2

If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items

a

Revenues included in Form 990, Part VIII, line 1

► \$ \_\_\_\_\_

b

Assets included in Form 990, Part X

► \$ \_\_\_\_\_

Part III

Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3

Using the organization's accession and other records, check any of the following that are a significant use of its collection items (check all that apply)

a

☐ Public exhibition

b

☐ Scholarly research

c

☐ Preservation for future generations

d

☐ Loan or exchange programs

e

☐ Other

4

Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV

5

During the year, did the organization solicit or receive donations of art, historical treasures or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection?

☐ Yes

☐ No

Part IV

Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a

Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV and complete the following table

c

Beginning balance

d

Additions during the year

e

Distributions during the year

f

Ending balance

	Amount
1c	
1d	
1e	
1f	

2a

Did the organization include an amount on Form 990, Part X, line 21?

☐ Yes

☐ No

b

If "Yes," explain the arrangement in Part XIV

Part V

Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a)Current Year	(b)Prior Year	(c)Two Years Back	(d)Three Years Back	(e)Four Years Back
1a Beginning of year balance . . . . .	7,333,101	7,883,846	7,156,790	6,785,603	
b Contributions . . . . .	7,500	82,356	61,410	91,305	
c Investment earnings or losses . . . . .	1,234,048	-108,444	702,455	306,023	
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .	106,522	480,959			
f Administrative expenses . . . . .	41,961	43,698	36,809	26,141	
g End of year balance . . . . .	8,426,166	7,333,101	7,883,846	7,156,790	

2

Provide the estimated percentage of the year end balance held as

a

Board designated or quasi-endowment ▶

b

Permanent endowment ▶ 100 000 %

c

Term endowment ▶

3a

Are there endowment funds not in the possession of the organization that are held and administered for the organization by

(i)

unrelated organizations . . . . .

(ii)

related organizations . . . . .

b

If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

	Yes	No
3a(i)		No
3a(ii)		No
3b		

4

Describe in Part XIV the intended uses of the organization's endowment funds

Part VI

Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b)Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		3,254,245		3,254,245
b Buildings . . . . .		192,885,920	86,810,731	106,075,189
c Leasehold improvements . . . . .		11,386,207	4,636,650	6,749,557
d Equipment . . . . .		132,997,877	97,646,140	35,351,737
e Other . . . . .		1,536,755	0	1,536,755
Total. Add lines 1a-1e (Column (d) should equal Form 990, Part X, column (B), line 10(c).) . . . . . ▶				152,967,483





Part XI

Reconciliation of Change in Net Assets from Form 990 to Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	
3	Excess or (deficit) for the year Subtract line 2 from line 1	3	
4	Net unrealized gains (losses) on investments	4	
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV)	8	
9	Total adjustments (net) Add lines 4 - 8	9	
10	Excess or (deficit) for the year per financial statements Combine lines 3 and 9	10	

Part XII

Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements . . . . .	1	
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12		
a	Net unrealized gains on investments . . . . .	2a	
b	Donated services and use of facilities . . . . .	2b	
c	Recoveries of prior year grants . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	
3	Subtract line 2e from line 1 . . . . .	3	
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total Revenue Add lines 3 and 4c. (This should equal Form 990, Part I, line 12 ) . . . . .	5	

Part XIII

Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements . . . . .	1	
2	Amounts included on line 1 but not on Form 990, Part IX, line 25		
a	Donated services and use of facilities . . . . .	2a	
b	Prior year adjustments . . . . .	2b	
c	Other losses . . . . .	2c	
d	Other (Describe in Part XIV) . . . . .	2d	
e	Add lines 2a through 2d . . . . .	2e	
3	Subtract line 2e from line 1 . . . . .	3	
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b . . . . .	4a	
b	Other (Describe in Part XIV) . . . . .	4b	
c	Add lines 4a and 4b . . . . .	4c	
5	Total expenses Add lines 3 and 4c. (This should equal Form 990, Part I, line 18 ) . . . . .	5	

Part XIV

Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Identifier	Return Reference	Explanation
ENDOWMENT FUNDS	SCHEDULE D, PART V, QUESTION 4	THE HOSPITAL'S ENDOWMENTS CONSIST OF NUMEROUS INDIVIDUAL FUNDS ESTABLISHED FOR A VARIETY OF PURPOSES. THE PURPOSES INCLUDE GENERAL PURPOSE, HEALTHCARE SERVICES, INDIGENT CARE AND HEALTH EDUCATION.
TEXT OF FIN 48 AUDITED FINANCIAL STATEMENT FOOTNOTE	SCHEDULE D, PART X	THE ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES, A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM"). THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM. AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011, RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CERTAIN CONSOLIDATING SCHEDULES. THE AUDITED FINANCIAL STATEMENTS DO NOT CONTAIN FOOTNOTE DISCLOSURE RELATED TO THE ORGANIZATION'S LIABILITY FOR UNCERTAIN TAX POSITIONS UNDER FIN 48. THE ORGANIZATION COMPLETED AN ASSESSMENT OF THE ESTIMATED LIABILITY FOR UNCERTAIN TAX POSITIONS AT SEPTEMBER 30, 2012 AND CONCLUDED THAT THE ESTIMATED LIABILITY WAS NOT MATERIAL TO THE ORGANIZATION'S FINANCIAL STATEMENTS.

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**Open to Public Inspection**

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**3** Activities per Region (Use Part V if additional space is needed )

For Privacy Act and Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat No 50082W Schedule F (Form 990) 2011

**1**

<b>2</b>	Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter . . . . . ▶	1
<b>3</b>	Enter total number of other organizations or entities . . . . . ▶	1

## Part III

[illegible]

**Part IV Foreign Forms**

- 1

Was the organization a U S transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926 (see instructions for Form 926)*

☒ Yes ☐ No
- 2

Did the organization have an interest in a foreign trust during the tax year? *If " Yes," the organization may be required to file Form 3520 and/or Form 3520-A. (see instructions for Forms 3520 and 3520-A)*

☐ Yes ☒ No
- 3

Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons with respect to Certain Foreign Corporations. (see instructions for Form 5471)*

☒ Yes ☐ No
- 4

Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see instructions for Form 8621)*

☐ Yes ☒ No
- 5

Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons with respect to Certain Foreign Partnerships. (see instructions for Form 8865)*

☐ Yes ☒ No
- 6

Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see instructions for Form 5713).*

☐ Yes ☒ No

**Part V**   **Supplemental Information**

Complete this part to provide the information (see instructions) required in Part I, line 2, and any additional information.

Identifier	Return Reference	Explanation
ORGANIZATION'S PROCEDURES FOR MONITORING USE OF GRANT FUNDS OUTSIDE THE US	SCHEDULE F, PART I, QUESTION 2	FOR INTERNATIONAL SUBCONTRACTS (1) ANNUAL REQUESTS ARE MADE FOR AUDIT CERTIFICATION, (2) ANNUAL REQUESTS ARE MADE FOR MOST UP-TO-DATE POLICIES AND PROCEDURES MANUAL, AND (3) INVOICES ARE REVIEWED AND APPROVED BY PRINCIPAL INVESTIGATOR'S OFFICE AS WELL AS BY THE GRANT MANAGEMENT OFFICE

OMB No 1545-0047

**▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.**

05-0258937

**b** If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization. Form 990-EZ filers are not required to complete this table.

**3** List all states in which the organization is registered or licensed to solicit funds or has been notified it is exempt from registration or licensing



Part II Fundraising Events.

Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 on Form 990-EZ, line 6a. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other Events	(d) Total Events
		<u>BREAKFAST</u> (event type)	<u>TICKLED PINK</u> (event type)	<u>2</u> (total number)	(Add col (a) through col (c))
Revenue	1	Gross receipts . . . .	63,655	47,387	48,964
	2	Less Charitable contributions . . . .	54,161	10,198	42,809
	3	Gross income (line 1 minus line 2) . . . .	9,494	37,189	6,155
Direct Expenses	4	Cash prizes . . . .			
	5	Non-cash prizes . . . .			
	6	Rent/facility costs . . . .	6,200	21,589	2,831
	7	Food and beverages . . . .			
	8	Entertainment . . . .			
	9	Other direct expenses . . . .	3,294	15,600	3,324
	10	Direct expense summary Add lines 4 through 9 in column (d) . . . . . ►			
	11	Net income summary Combine lines 3 and 10 in column (d). . . . . ►			

Part III Gaming.

Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming
					(Add col (a) through col (c))
Revenue	1	Gross revenue . . . . .			
	2	Cash prizes . . . . .			
Direct Expenses	3	Non-cash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
	6	Volunteer labor . . . . .	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ <input type="checkbox"/> No
7 Direct expense summary Add lines 2 through 5 in column (d) . . . . . ►					( )
8 Net gaming income summary Combine lines 1 and 7 in column (d) . . . . . ►					

9 Enter the state(s) in which the organization operates gaming activities \_\_\_\_\_

a Is the organization licensed to operate gaming activities in each of these states? . . . . . ☐ Yes ☐ No

b If "No," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year? . . . . . ☐ Yes ☐ No

b If "Yes," Explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 11

Does the organization operate gaming activities with nonmembers?

☐ Yes ☐ No
- 12

Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?

☐ Yes ☐ No

13

Indicate the percentage of gaming activity operated in

a	The organization's facility	13a
b	An outside facility	13b

14

Provide the name and address of the person who prepares the organization's gaming/special events books and records

Name

Address

15a

Does the organization have a contract with a third party from whom the organization receives gaming revenue?

☐ Yes ☐ No

b

If "Yes," enter the amount of gaming revenue received by the organization and the amount of gaming revenue retained by the third party

\$

c

If "Yes," enter name and address

Name

Address

16

Gaming manager information

Name

Gaming manager compensation

Description of services provided

☐ Director/officer

☐ Employee

☐ Independent contractor

17

Mandatory distributions

a

Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?

☐ Yes ☐ No

b

Enter the amount of distributions required under state law distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year

\$

Part IV

Complete this part to provide additional information for responses to question on Schedule G (see instructions.)

Identifier	ReturnReference	Explanation
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SCHEDULE H  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Hospitals

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

OMB No 1545-0047

2011

Open to Public Inspection

**Name of the organization**  
WOMEN & INFANTS HOSPITAL OF RI

**Employer identification number**  
05-0258937

Part I

Charity Care and Certain Other Community Benefits at Cost

		Yes	No	
1a	Did the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	Yes	
b	If "Yes," is it a written policy? . . . . .	1b	Yes	
2	If the organization had multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals <div><input type="checkbox"/> Applied uniformly to all hospitals</div> <div><input type="checkbox"/> Applied uniformly to most hospitals</div> <div><input type="checkbox"/> Generally tailored to individual hospitals</div>			
3	Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients during the tax year  a Did the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing <i>free</i> care? If "Yes," indicate which of the following is the FPG family income limit for eligibility for free care <div><input type="checkbox"/> 100%    <input type="checkbox"/> 150%    <input checked="" type="checkbox"/> 200%    <input type="checkbox"/> Other _____%</div> b Did the organization use FPG to determine eligibility for providing <i>discounted</i> care? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care . . . . . <div><input type="checkbox"/> 200%    <input type="checkbox"/> 250%    <input checked="" type="checkbox"/> 300%    <input type="checkbox"/> 350%    <input type="checkbox"/> 400%    <input type="checkbox"/> Other _____%</div> c If the organization did not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care	3a	Yes	
4	Did the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	4	Yes	
5a	Did the organization budget amounts for free or discounted care provided under its financial assistance policy during the tax year? . . . . .	5a	Yes	
b	If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b		No
c	If "Yes" to line 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c		
6a	Did the organization prepare a community benefit report during the tax year? . . . . .	6a		No
6b	If "Yes," did the organization make it available to the public? . . . . .	6b		
Complete the following table using the worksheets provided in the Schedule H instructions Do not submit these worksheets with the Schedule H				

7

Charity Care and Certain Other Community Benefits at Cost

Charity Care and Means-Tested Government Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from Worksheet 1) . . . . .			8,196,578	4,537,954	3,658,624	0 840 %
b Medicaid (from Worksheet 3, column a) . . . . .			117,646,707	105,485,308	12,161,399	2 790 %
c Costs of other means-tested government programs (from Worksheet 3, column b) . . . . .			763,929	275,566	488,363	0 110 %
d <b>Total</b> Charity Care and Means-Tested Government Programs . . . . .			126,607,214	110,298,828	16,308,386	3 740 %
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from Worksheet 4) . . . . .			1,727,869	425,114	1,302,755	0 300 %
f Health professions education (from Worksheet 5) . . . . .			17,650,142	135,165	17,514,977	4 020 %
g Subsidized health services (from Worksheet 6) . . . . .			235,256	80,785	154,471	0 040 %
h Research (from Worksheet 7) . . . . .			18,920,790	13,843,222	5,077,568	1 170 %
i Cash and in-kind contributions for community benefit (from Worksheet 8) . . . . .			48,435	0	48,435	0 010 %
j <b>Total</b> Other Benefits . . . . .			38,582,492	14,484,286	24,098,206	5 540 %
k <b>Total.</b> Add lines 7d and 7j . . . . .			165,189,706	124,783,114	40,406,592	9 280 %

Part IICommunity Building Activities

Complete this table if the organization conducted any community building activities.

	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community building expense	(d) Direct offsetting revenue	(e) Net community building expense	(f) Percent of total expense
1Physical improvements and housing						
2Economic development						
3Community support						
4Environmental improvements						
5Leadership development and training for community members			69,492	0	69,492	0.020 %
6Coalition building			10,111	0	10,111	0.010 %
7Community health improvement advocacy						
8Workforce development			228,014	0	228,014	0.050 %
9Other						
10Total			307,617	0	307,617	0.080 %

Part IIIBad Debt, Medicare, & Collection Practices

Section A. Bad Debt Expense

		Yes	No
1	Did the organization report bad debt expense in accordance with Heathcare Financial Management Association Statement No. 15?	1Yes	
2	Enter the amount of the organization's bad debt expense	23,673,580	
3	Enter the estimated amount of the organization's bad debt expense attributable to patients eligible under the organization's charity care policy	3477,565	
4	Provide in Part VI the text of the footnote to the organization's financial statements that describes bad debt expense. In addition, describe the costing methodology used in determining the amounts reported on lines 2 and 3, and rationale for including a portion of bad debt amounts as community benefit.		

Section B. Medicare

5	Enter total revenue received from Medicare (including DSH and IME)	55,339,947	
6	Enter Medicare allowable costs of care relating to payments on line 5	66,832,499	
7	Subtract line 6 from line 5. This is the surplus or (shortfall).	7-1,492,552	
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?	9aYes	
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.	9bYes	

Part IVManagement Companies and Joint Ventures (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				

## Section A. Hospital Facilities

How many hospital facilities did the organization operate during the tax year? 1

## Name and address

[illegible]

Part V Facility Information (continued)

Section B. Facility Policies and Practices.

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

WOMEN & INFANTS HOSPITAL OF RHODE ISLAND

Name of Hospital Facility:

Line Number of Hospital Facility (from Schedule H, Part V, Section A):1

	Yes	No
Community Health Needs Assessment (Lines 1 through 7 are optional for 2011)		
1 During the tax year or any prior tax year, did the hospital facility conduct a community health needs assessment ("Needs Assessment")? If "No," skip to question 8 . . . . . If "Yes," indicate what the Needs Assessment describes (check all that apply) a <input type="checkbox"/> A definition of the community served by the hospital facility b <input type="checkbox"/> Demographics of the community c <input type="checkbox"/> Existing health care facilities and resources within the community that are available to respond to the health needs of the community d <input type="checkbox"/> How data was obtained e <input type="checkbox"/> The health needs of the community f <input type="checkbox"/> Primary and chronic disease needs and other health issues of uninsured persons, low-income persons, and minority groups g <input type="checkbox"/> The process for identifying and prioritizing community health needs and services to meet those needs h <input type="checkbox"/> The process for consulting with persons representing the community's interests i <input type="checkbox"/> Information gaps that limit the hospital facility's ability to assess the community's health needs j <input type="checkbox"/> Other (describe in Part VI)	1	
2 Indicate the tax year the hospital facility last conducted a Needs Assessment 20 ____		
3 In conducting its most recent Needs Assessment, did the hospital facility take into account input from persons who represent the community served by the hospital facility? If "Yes," describe in Part VI how the hospital facility took into account input from persons who represent the community, and identify the persons the hospital facility consulted	3	
4 Was the hospital facility's Needs Assessment conducted with one or more other hospital facilities? If "Yes," list the other hospital facilities in Part VI . . . . .	4	
5 Did the hospital facility make its Needs Assessment widely available to the public? . . . . . If "Yes," indicate how the Needs Assessment was made widely available (check all that apply) a <input type="checkbox"/> Hospital facility's website b <input type="checkbox"/> Available upon request from the hospital facility c <input type="checkbox"/> Other (describe in Part VI)	5	
6 If the hospital facility addressed needs identified in its most recently conducted Needs Assessment, indicate how (check all that apply) a <input type="checkbox"/> Adoption of an implementation strategy to address the health needs of the hospital facility's community b <input type="checkbox"/> Execution of the implementation strategy c <input type="checkbox"/> Development of a community-wide community benefit plan for the facility d <input type="checkbox"/> Participation in community-wide community benefit plan e <input type="checkbox"/> Inclusion of a community benefit section in operational plans f <input type="checkbox"/> Adoption of a budget for provision of services that address the needs identified in the CHNA g <input type="checkbox"/> Prioritization of health needs in the community h <input type="checkbox"/> Prioritization of services that the hospital facility will undertake to meet health needs in its community i <input type="checkbox"/> Other (describe in Part VI)		
7 Did the hospital facility address all of the needs identified in its most recently conducted Needs Assessment? If "No," explain in Part VI which needs it has not addressed together with the reasons why it has not addressed such needs	7	
Financial Assistance Policy		
Did the hospital facility have in place during the tax year a written financial assistance policy that		
8 Explains eligibility criteria for financial assistance, and whether such assistance includes free or discounted care?	8	Yes
9 Used federal poverty guidelines (FPG) to determine eligibility for providing free care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for free care 200 % If "No," explain in Part VI the criteria the hospital facility used	9	Yes

Part V

Facility Information (continued)

		Yes	No	
10	Used FPG to determine eligibility for providing discounted care? . . . . . If "Yes," indicate the FPG family income limit for eligibility for discounted care <u>300</u> % If "No," explain in Part VI the criteria the hospital facility used	10	Yes	
11	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 checked="" type="checkbox"/> Asset level c <input type="checkbox"/> Medical indigency d <input type="checkbox"/> Insurance status e <input type="checkbox"/> Uninsured discount f <input type="checkbox"/> Medicaid/Medicare g <input type="checkbox"/> State regulation h <input type="checkbox"/> Other (describe in Part VI)	11	Yes	
12	Explained the method for applying for financial assistance? . . . . .	12	Yes	
13	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 checked="" type="checkbox"/> The policy was posted at all times on the hospital facility's web site b <input checked="" type="checkbox"/> The policy was attached to all billing invoices c <input checked="" 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 upon admission to the hospital facility f <input checked="" type="checkbox"/> The policy was available upon request g <input type="checkbox"/> Other (describe in Part VI)	13	Yes	

Billing and Collections

14	Did the hospital facility have in place during the tax year a separate billing and collections policy, or a written financial assistance policy (FAP) that explained actions the hospital facility may take upon non-payment? . . . . .	14	Yes	
15	Check all of the following collection 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 type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments or arrests e <input type="checkbox"/> Other similar actions (describe in Part VI)			
16	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 type="checkbox"/> Reporting to credit agency b <input type="checkbox"/> Lawsuits c <input type="checkbox"/> Liens on residences d <input type="checkbox"/> Body attachments e <input type="checkbox"/> Other similar actions (describe in Part VI)	16		No
17	Indicate which efforts the hospital facility made before initiating any of the actions checked in question 16 (check all that apply) a <input type="checkbox"/> Notified patients of the financial assistance policy upon admission b <input type="checkbox"/> Notified patients of the financial assistance policy prior to discharge c <input type="checkbox"/> Notified patients of the financial assistance policy in communications with the patients regarding the patients' bills d <input type="checkbox"/> Documented its determination of whether patients were eligible for financial assistance under the hospital facility's financial assistance policy e <input type="checkbox"/> Other (describe in Part VI)			

Part V

Facility Information (continued)

Policy Relating to Emergency Medical Care

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

Individuals Eligible for Financial Assistance

19	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		
a	<input type="checkbox"/> The hospital facility used its lowest negotiated commercial insurance rate when calculating the maximum amounts that can be charged		
b	<input type="checkbox"/> The hospital facility used the average of it's three lowest negotiated commercial insurance rates when calculating the maximum amounts that can be charged		
c	<input type="checkbox"/> The hospital facility used the Medicare rates when calculating the maximum amounts that can be charged		
d	<input type="checkbox"/> Other (describe in Part VI)		
20	Did the hospital facility charge any of its patients who were eligible for assistance under the hospital facility's financial assistance policy, and to whom the hospital facility provided emergency or other medically necessary services, more than the amounts generally billed to individuals who had insurance covering such care? . . . . . If "Yes," explain in Part VI	20	No
21	Did the hospital facility charge any of its FAP-eligible patients an amount equal to the gross charge for services provided to that patient? . . . . . If "Yes," explain in Part VI	21	No



Part V

Facility Information (continued)

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

(list in order of size from largest to smallest)

How many non-hospital facilities did the organization operate during the tax year? 39

Name and address		Type of Facility (Describe)
1	See Additional Data Table	
2		
3		
4		
5		
6		
7		
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, and Part V, Section B, lines 1j, 3, 4, 5c, 6l, 7, 9, 10, 11h, 13g, 15e, 16e, 17e, 18d, 19d, 20, and 21
- 2
- Community health needs assessment.** Describe how the organization assesses the health care needs of the communities it serves, in addition to any community health 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

Identifier	ReturnReference	Explanation
ELIGIBILITY FOR DISCOUNTED CARE	SCHEDULE H, PART I, LINE 3C	NOT APPLICABLE

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT REPORT	SCHEDULE H, PART I, LINE 6A	NOT APPLICABLE

Identifier	ReturnReference	Explanation
SUBSIDIZED HEALTH SERVICES	SCHEDULE H, PART I, LINE 7	NO COSTS RELATING TO SUBSIDIZED HEALTHCARE SERVICES ARE ATTRIBUTABLE TO ANY PHYSICIAN CLINICS

Identifier	ReturnReference	Explanation
CHARITY CARE AND CERTAIN OTHER COMMUNITY BENEFIT COST	SCHEDULE H, PART I, LINE 7	A COST-TO-CHARGE RATIO WAS USED, THE SOURCE BEING THE MEDICARE COST REPORT FOR FY 2012, ADJUSTED FOR CERTAIN COSTS WHICH ARE PARTICULAR TO MEDICARE COST REPORTING, BUT NOT APPROPRIATE FOR PART 1, LINE 7 E G REMOVING THE REASONABLE COST EQUIVALENT FOR PHYSICIAN SERVICES IN W/S A- 8-2, ADJUSTING PENSION EXPENSE TO GAAP, ADJUSTMENTS FOR USEFUL LIVES OF CERTAIN SOFTWARE, AND REMOVING THE RELATED PARTY COSTS (OTHER THAN HOME OFFICE) WORKSHEET 2, "RATIO OF PATIENT CARE COST-TO-CHARGES" WAS USED TO COMPLETE THE COST-TO-CHARGE RATIO USED IN PART 1, LINE 7

Identifier	ReturnReference	Explanation
COMMUNITY BUILDING ACTIVITIES	SCHEDULE H, PART II	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND HAS DIRECT INVOLVEMENT IN NUMEROUS COMMUNITY BUILDING ACTIVITIES THAT PROMOTE AND IMPROVE THE HEALTH STATUS AND GENERAL BETTERMENT OF THE COMMUNITIES SERVED BY THE HOSPITAL THIS IS ACCOMPLISHED THROUGH SERVICE ON STATE AND REGIONAL ADVOCACY COMMITTEES AND BOARDS, VOLUNTEERISM WITH LOCAL COMMUNITY-BASED NON- PROFIT ADVOCACY GROUPS, AND PARTICIPATION IN CONFERENCES AND OTHER EDUCATIONAL ACTIVITIES TO PROMOTE UNDERSTANDING OF THE ROOT CAUSES OF HEALTH CONCERNS THIS ORGANIZATION PROVIDES EDUCATIONAL MATERIALS, CONDUCTS COMMUNITY HEALTH FAIRS AND HOLDS HEALTH EDUCATION SEMINARS AND OUTREACH SESSIONS FOR ITS PATIENTS AND FOR COMMUNITY PROVIDERS PRESENTATIONS ARE PROVIDED BY PHYSICIANS, NURSES AND OTHER HEALTHCARE PROFESSIONALS

Identifier	ReturnReference	Explanation
BAD DEBT EXPENSE	SCHEDULE H, PART III, SECTION A, LINE 4	BAD DEBT EXPENSE WAS CALCULATED USING THE ORGANIZATION'S BAD DEBT EXPENSE FROM ITS AUDITED FINANCIAL STATEMENTS, NET OF ACCOUNTS WRITTEN OFF AT CHARGES. THE ORGANIZATION AND ITS AFFILIATES PREPARE AND ISSUE AUDITED CONSOLIDATED FINANCIAL STATEMENTS. THE SYSTEM'S ALLOWANCE FOR DOUBTFUL ACCOUNTS (BAD DEBT EXPENSE) METHODOLOGY AND CHARITY CARE POLICIES ARE CONSISTENTLY APPLIED ACROSS ALL HOSPITAL AFFILIATES. THE ATTACHED TEXT WAS OBTAINED FROM THE FOOTNOTES TO THE AUDITED FINANCIAL STATEMENTS OF THE ORGANIZATION. NET PATIENT SERVICE REVENUE: THE HOSPITALS AND THE AGENCY HAVE INDIVIDUAL AGREEMENTS WITH MANY THIRD-PARTY PAYORS THAT PROVIDE PAYMENTS AT AMOUNTS DIFFERENT FROM THEIR ESTABLISHED RATES. PAYMENT ARRANGEMENTS INCLUDE PROSPECTIVELY DETERMINED RATES PER DISCHARGE, REIMBURSED COSTS, DISCOUNTED CHARGES, AND PER-DIEM PAYMENTS. NET PATIENT SERVICE REVENUE IS REPORTED AT ESTIMATED NET REALIZABLE AMOUNTS FROM PATIENTS, THIRD-PARTY PAYORS, AND OTHERS FOR SERVICES RENDERED, AND INCLUDES ESTIMATED RETROACTIVE REVENUE ADJUSTMENTS DUE TO SUCH THINGS AS FUTURE AUDITS AND REVIEWS. RETROACTIVE ADJUSTMENTS ARE CONSIDERED IN THE RECOGNITION OF REVENUE ON AN ESTIMATED BASIS IN THE PERIOD THE RELATED SERVICES ARE RENDERED, AND SUCH AMOUNTS ARE ADJUSTED IN FUTURE PERIODS AS ADJUSTMENTS BECOME KNOWN, OR AS YEARS ARE NO LONGER SUBJECT TO SUCH ADJUSTMENTS. CHARITY CARE: THE HEALTH SYSTEM PROVIDES CARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER THEIR CHARITY CARE POLICIES WITHOUT CHARGE OR AT AMOUNTS LESS THAN ESTABLISHED RATES. BECAUSE THE HEALTH SYSTEM DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THEY ARE NOT REPORTED AS NET PATIENT REVENUE.

Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT	SCHEDULE H, PART III, SECTION B, QUESTION 8	<p>THE INPATIENT MEDICARE ALLOWABLE COSTS WERE DETERMINED FROM THE SUBMITTED FY 2012 MEDICARE COST REPORT, WORKSHEET D-1, LINE 49, LESS PARA-MED COSTS, WHICH ARE INCLUDED IN PART I, L INE 7(F) WORKSHEET D-1, LINE 49 DOES NOT INCLUDE DIRECT GME COSTS THE OUTPATIENT ALLOWABLE COSTS COME FROM WORKSHEET E, PART B BAD DEBT IS COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I THE ORGANIZATION FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCL UDABLE ON THE FORM 990, SCHEDULE H, PART I AS OUTLINED MORE FULLY BELOW, THE ORGANIZATION BELIEVES THAT THESE SERVICES AND RELATED COSTS PROMOTE THE HEALTH OF THE COMMUNITY AS A WHOLE AND ARE RENDERED IN CONJUNCTION WITH THE ORGANIZATION'S CHARITABLE TAX-EXEMPT PURPOSE S AND MISSION IN PROVIDING MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUAL'S IN A NON-DISCRIMINATORY MANNER WITHOUT REGARD TO RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RE LIGION OR ABILITY TO PAY AND CONSISTENT WITH THE COMMUNITY BENEFIT STANDARD PROMULGATED BY THE IRS THE COMMUNITY BENEFIT STANDARD IS THE CURRENT STANDARD FOR A HOSPITAL FOR RECOGN ITION AS A TAX-EXEMPT AND CHARITABLE ORGANIZATION UNDER INTERNAL REVENUE CODE ("IRC") 501(C)(3) THE ORGANIZATION IS RECOGNIZED AS A TAX-EXEMPT ENTITY AND CHARITABLE ORGANIZATION U NDER 501(C)(3) OF THE IRC ALTHOUGH THERE IS NO DEFINITION IN THE TAX CODE FOR THE TERM "C HARITABLE", A REGULATION PROMULGATED BY THE DEPARTMENT OF THE TREASURY PROVIDES SOME GUIDA NCE AND STATES THAT "[T]HE TERM CHARITABLE IS USED IN 501(C)(3) IN ITS GENERALLY ACCEPTED LEGAL SENSE," AND PROVIDES EXAMPLES OF CHARITABLE PURPOSES, INCLUDING THE RELIEF OF THE PO OR OR UNPRIVILEGED, THE PROMOTION OF SOCIAL WELFARE, AND THE ADVANCEMENT OF EDUCATION, REL IGIION, AND SCIENCE NOTE IT DOES NOT EXPLICITLY ADDRESS THE ACTIVITIES OF HOSPITALS IN T HE ABSENCE OF EXPLICIT STATUTORY OR REGULATORY REQUIREMENTS APPLYING THE TERM "CHARITABLE" TO HOSPITALS, IT HAS BEEN LEFT TO THE IRS TO DETERMINE THE CRITERIA HOSPITALS MUST MEET T O QUALIFY AS IRC 501(C)(3) CHARITABLE ORGANIZATIONS THE ORIGINAL STANDARD WAS KNOWN AS TH E CHARITY CARE STANDARD THIS STANDARD WAS REPLACED BY THE IRS WITH THE COMMUNITY BENEFIT STANDARD WHICH IS THE CURRENT STANDARD CHARITY CARE STANDARD IN 1956, THE IRS ISSUED REVE NUE RULING 56-185, WHICH ADDRESSED THE REQUIREMENTS HOSPITALS NEEDED TO MEET IN ORDER TO Q UALIFY FOR IRC 501(C)(3) STATUS ONE OF THESE REQUIREMENTS IS KNOWN AS THE "CHARITY CARE S TANDARD " UNDER THE STANDARD, A HOSPITAL HAD TO PROVIDE, TO THE EXTENT OF ITS FINANCIAL AB ILITY, FREE OR REDUCED-COST CARE TO PATIENTS UNABLE TO PAY FOR IT A HOSPITAL THAT EXPECTE D FULL PAYMENT DID NOT, ACCORDING TO THE RULING, PROVIDE CHARITY CARE BASED ON THE FACT TH AT SOME PATIENTS ULTIMATELY FAILED TO PAY THE RULING EMPHASIZED THAT A LOW LEVEL OF CHARI TY CARE DID NOT NECESSARILY MEAN THAT A HOSPITAL HAD FAILED TO MEET THE REQUIREMENT SINCE THAT LEVEL COULD REFLECT ITS FINANCIAL ABILITY TO PROVIDE SUCH CARE THE RULING ALSO NOTED THAT PUBLICLY SUPPORTED COMMUNITY HOSPITALS WOULD NORMALLY QUALIFY AS CHARITABLE ORGANIZA TIONS BECAUSE THEY SERVE THE ENTIRE COMMUNITY, AND A LOW LEVEL OF CHARITY CARE WOULD NOT A FFECT A HOSPITAL'S EXEMPT STATUS IF IT WAS DUE TO THE SURROUNDING COMMUNITY'S LACK OF CHAR ITABLE DEMANDS COMMUNITY BENEFIT STANDARD IN 1969, THE IRS ISSUED REVENUE RULING 69-545, WHICH "REMOVE [D]" FROM REVENUE RULING 56-185 "THE REQUIREMENTS RELATING TO CARING FOR PATI ENTS WITHOUT CHARGE OR AT RATES BELOW COST " UNDER THE STANDARD DEVELOPED IN REVENUE RULIN G 69-545, WHICH IS KNOWN AS THE "COMMUNITY BENEFIT STANDARD," HOSPITALS ARE JUDGED ON WHET HER THEY PROMOTE THE HEALTH OF A BROAD CLASS OF INDIVIDUALS IN THE COMMUNITY THE RULING I NVOLVED A HOSPITAL THAT ONLY ADMITTED INDIVIDUALS WHO COULD PAY FOR THE SERVICES (BY THEMSELVES, PRIVATE INSURANCE, OR PUBLIC PROGRAMS SUCH AS MEDICARE), BUT OPERATED A FULL-TIME E MERGENCY ROOM THAT WAS OPEN TO EVERYONE THE IRS RULED THAT THE HOSPITAL QUALIFIED AS A CH ARITABLE ORGANIZATION BECAUSE IT PROMOTED THE HEALTH OF PEOPLE IN ITS COMMUNITY THE IRS R EASONED THAT BECAUSE THE PROMOTION OF HEALTH WAS A CHARITABLE PURPOSE ACCORDING TO THE GEN ERAL LAW OF CHARITY, IT FELL WITHIN THE "GENERALLY ACCEPTED LEGAL SENSE" OF THE TERM "CHAR ITABLE," AS REQUIRED BY TREAS REG 1 501(C)(3)-1(D)(2) THE IRS RULING STATED THAT THE PR OMOTION OF HEALTH, LIKE THE RELIEF OF POVERTY AND THE ADVANCEMENT OF EDUCATION AND RELIGIO N, IS ONE OF THE PURPOSES IN THE GENERAL LAW OF CHARITY THAT IS DEEMED BENEFICIAL TO THE C OMMUNITY AS A WHOLE EVEN THOUGH THE CLASS OF BENEFICIARIES ELIGIBLE TO RECEIVE A DIRECT BE NEFIT FROM ITS ACTIVITIES DOES NOT INCLUDE ALL MEMBERS OF THE COMMUNITY, SUCH AS INDIGENT MEMBERS OF THE COMMUNITY, PROVIDED THAT THE CLASS IS NOT SO SMALL THAT ITS RELIEF IS NOT O F BENEFIT TO THE COMMUNITY THE IRS CONCLUDED THAT THE HOSPITAL WAS "PROMOTING THE HEALTH OF A CLASS OF PERSONS THAT IS BROAD ENOUGH TO BENE</p>



Identifier	ReturnReference	Explanation
COMMUNITY BENEFIT	SCHEDULE H, PART III, SECTION B, QUESTION 8	<p>FIT THE COMMUNITY" BECAUSE ITS EMERGENCY ROOM WAS OPEN TO ALL AND IT PROVIDED CARE TO EVERYONE WHO COULD PAY, WHETHER DIRECTLY OR THROUGH THIRD-PARTY REIMBURSEMENT. OTHER CHARACTERISTICS OF THE HOSPITAL THAT THE IRS HIGHLIGHTED INCLUDED THE FOLLOWING: ITS SURPLUS FUNDS WERE USED TO IMPROVE PATIENT CARE, EXPAND HOSPITAL FACILITIES, AND ADVANCE MEDICAL TRAINING, EDUCATION, AND RESEARCH, IT WAS CONTROLLED BY A BOARD OF TRUSTEES THAT CONSISTED OF INDEPENDENT CIVIC LEADERS, AND HOSPITAL MEDICAL STAFF PRIVILEGES WERE AVAILABLE TO ALL QUALIFIED PHYSICIANS. THE ORGANIZATION BELIEVES THAT MEDICARE UNDERPAYMENTS AND BAD DEBT ARE COMMUNITY BENEFIT AND ASSOCIATED COSTS ARE INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THE AMERICAN HOSPITAL ASSOCIATION ("AHA") FEELS THAT MEDICARE UNDERPAYMENTS (SHORTFALL) AND BAD DEBT ARE COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. THIS ORGANIZATION AGREES WITH THE AHA POSITION AS OUTLINED IN THE AHA LETTER TO THE IRS DATED AUGUST 21, 2007 WITH RESPECT TO THE FIRST PUBLISHED DRAFT OF THE NEW FORM 990 AND SCHEDULE H, THE AHA FELT THAT THE IRS SHOULD INCORPORATE THE FULL VALUE OF THE COMMUNITY BENEFIT THAT HOSPITALS PROVIDE BY COUNTING MEDICARE UNDERPAYMENTS (SHORTFALL) AS QUANTIFIABLE COMMUNITY BENEFIT FOR THE FOLLOWING REASONS:</p> <ul style="list-style-type: none"><li>- PROVIDING CARE FOR THE ELDERLY AND SERVING MEDICARE PATIENTS IS AN ESSENTIAL PART OF THE COMMUNITY BENEFIT STANDARD.</li><li>- MEDICARE, LIKE MEDICAID, DOES NOT PAY THE FULL COST OF CARE. RECENTLY, MEDICARE REIMBURSES HOSPITALS ONLY 92 CENTS FOR EVERY DOLLAR THEY SPEND TO TAKE CARE OF MEDICARE PATIENTS. THE MEDICARE PAYMENT ADVISORY COMMISSION ("MEDPAC") IN ITS MARCH 2007 REPORT TO CONGRESS CAUTIONED THAT UNDERPAYMENT WILL GET EVEN WORSE, WITH MARGINS REACHING A 10-YEAR LOW AT NEGATIVE 54 PERCENT.</li><li>- MANY MEDICARE BENEFICIARIES, LIKE THEIR MEDICAID COUNTERPARTS, ARE POOR. MORE THAN 46 PERCENT OF MEDICARE SPENDING IS FOR BENEFICIARIES WHOSE INCOME IS BELOW 200 PERCENT OF THE FEDERAL POVERTY LEVEL. MANY OF THOSE MEDICARE BENEFICIARIES ARE ALSO ELIGIBLE FOR MEDICAID -- SO-CALLED "DUAL ELIGIBLES." THERE IS EVERY COMPELLING PUBLIC POLICY REASON TO TREAT MEDICARE AND MEDICAID UNDERPAYMENTS SIMILARLY FOR PURPOSES OF A HOSPITAL'S COMMUNITY BENEFIT AND INCLUDE THESE COSTS ON FORM 990, SCHEDULE H, PART I.</li></ul> <p>MEDICARE UNDERPAYMENT MUST BE SHOULDERED BY THE HOSPITAL IN ORDER TO CONTINUE TREATING THE COMMUNITY'S ELDERLY AND POOR. THESE UNDERPAYMENTS REPRESENT A REAL COST OF SERVING THE COMMUNITY AND SHOULD COUNT AS A QUANTIFIABLE COMMUNITY BENEFIT. BOTH THE AHA AND THIS ORGANIZATION ALSO FEEL THAT PATIENT BAD DEBT IS A COMMUNITY BENEFIT AND THUS INCLUDABLE ON THE FORM 990, SCHEDULE H, PART I. LIKE MEDICARE UNDERPAYMENT (SHORTFALLS), THERE ALSO ARE COMPELLING REASONS THAT PATIENT BAD DEBT SHOULD BE COUNTED AS QUANTIFIABLE COMMUNITY BENEFIT AS FOLLOWS:</p> <ul style="list-style-type: none"><li>- A SIGNIFICANT MAJORITY OF BAD DEBT IS ATTRIBUTABLE TO LOW-INCOME PATIENTS, WHO, FOR MANY REASONS, DECLINE TO COMPLETE THE FORMS REQUIRED TO ESTABLISH ELIGIBILITY FOR HOSPITALS' CHARITY CARE OR FINANCIAL ASSISTANCE PROGRAMS. A 2006 CONGRESSIONAL BUDGET OFFICE ("CBO") REPORT, NONPROFIT HOSPITALS AND THE PROVISION OF COMMUNITY BENEFITS, CITED TWO STUDIES INDICATING THAT "THE GREAT MAJORITY OF BAD DEBT WAS ATTRIBUTABLE TO PATIENTS WITH INCOME BELOW 200% OF THE FEDERAL POVERTY LINE." - THE REPORT ALSO NOTED THAT A SUBSTANTIAL PORTION OF BAD DEBT IS PENDING CHARITY CARE. UNLIKE BAD DEBT IN OTHER INDUSTRIES, HOSPITAL BAD DEBT IS COMPLICATED BY THE FACT THAT HOSPITALS FOLLOW THEIR MISSION TO THE COMMUNITY AND TREAT EVERY PATIENT THAT COMES THROUGH THEIR EMERGENCY DEPARTMENT, REGARDLESS OF ABILITY TO PAY. PATIENTS WHO HAVE OUTSTANDING BILLS ARE NOT TURNED AWAY, UNLIKE OTHER INDUSTRIES. BAD DEBT IS FURTHER COMPLICATED BY THE AUDITING INDUSTRY'S STANDARDS ON REPORTING CHARITY CARE. MANY PATIENTS CANNOT OR DO NOT PROVIDE THE NECESSARY, EXTENSIVE DOCUMENTATION REQUIRED TO BE DEEMED CHARITY CARE BY AUDITORS. AS A RESULT, ROUGHLY 40% OF</li></ul>

Identifier	ReturnReference	Explanation
COLLECTION POLICY	SCHEDULE H, PART III, SECTION C, QUESTION 9B	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND DOES NOT PURSUE COLLECTION FOR THOSE PATIENTS WHO QUALIFY FOR 100% FINANCIAL ASSISTANCE, BUT OUR NORMAL COLLECTION POLICY WOULD APPLY FOR PATIENTS RECEIVING PARTIAL FINANCIAL ASSISTANCE (DISCOUNTED BY REASON OF INCOME/ASSETS ON THE FPG BETWEEN 200% AND 300%) OR FACING EXTREME HARSHIPS

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTIONS 1J, 3, 4, 5C, 6I & 7	NOT APPLICABLE

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QS 9,10,11H,13G,15E,16E,17E,18D,20&21	NOT APPLICABLE

Identifier	ReturnReference	Explanation
FACILITY INFORMATION	SCHEDULE H, PART V, SECTION B, QUESTION 19D	THE FACILITY HAS A LONGSTANDING POLICY OF PROVIDING UNINSURED PATIENTS A 30% DISCOUNT FROM CHARGES. THIS PERCENTAGE WAS AN APPROXIMATION OF THE AVERAGE PAYMENT RATES FOR NONGOVERNMENTAL PAYORS ACROSS THE SYSTEM. ADDITIONAL DISCOUNTS ARE PROVIDED FOR ADVANCE OR PROMPT PAYMENTS.

Identifier	ReturnReference	Explanation
NEEDS ASSESSMENT	SCHEDULE H, PART VI, QUESTION 2	THE ORGANIZATION CONTINUALLY REVIEWS AND EVALUATES CURRENT AND PROPOSED PROGRAMS TO ENSURE THAT PROGRAMS OFFERING THE MOST BENEFIT WILL CONTINUE TO BE SUPPORTED BY THE HOSPITAL THE HOSPITAL ALIGNS ITS COMMUNITY PROGRAMS IN SUPPORT OF THE RHODE ISLAND DEPARTMENT OF HEALTH HEALTHY PEOPLE 2010 INITIATIVES OBJECTIVE 5 RESPONSIBLE SEXUAL BEHAVIOR, OBJECTIVE 6 MENTAL HEALTH, OBJECTIVE 7 INJURY AND VIOLENCE, OBJECTIVE 9 IMMUNIZATION AND OBJECTIVE 10 ACCESS TO HEALTHCARE PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT

Identifier	ReturnReference	Explanation
PATIENT EDUCATION OF ELIGIBILITY FOR ASSISTANCE	SCHEDULE H, PART VI, QUESTION 3	AS A NOT FOR-PROFIT ENTITY, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND'S FIRST CONSIDERATION IN THE ADMISSION AND PLACEMENT OR TREATMENT OF ANY PATIENT IS THE PATIENT'S MEDICAL NEEDS. SOME PATIENTS HESITATE TO OBTAIN NECESSARY CARE BECAUSE OF THEIR FINANCIAL CONCERNS. A NOTICE OF FINANCIAL AID APPEARS ON ALL STATEMENTS SENT TO PATIENTS. ALSO, IT IS PROMINENTLY POSTED IN THE PATIENT ASSESSMENT DEPARTMENT, ADMISSION AREAS, OUTPATIENT CARE AREAS AND ON THE ORGANIZATION'S WEBSITE. ALSO, THE NOTICE IS AVAILABLE IN THE THREE MOST COMMON LANGUAGES USED BY THE PATIENT POPULATION IN ACCORDANCE WITH THE APPLICABLE "STANDARDS FOR CULTURALLY AND LINGUISTICALLY APPROPRIATE SERVICES IN HEALTHCARE" (STANDARDS 4 AND 7, BASED ON TITLE VI OF THE CIVIL RIGHTS ACT OF 1964). UNINSURED AND UNDERINSURED PATIENTS ARE COUNSELED AT THE POINT OF SERVICE OR DURING THE BILLING PROCESS ABOUT ANY FEDERAL, STATE OR LOCAL PROGRAMS THAT THEY MAY BE ELIGIBLE FOR, AND ASSISTANCE WITH APPLICATIONS IS ALSO PROVIDED.

Identifier	ReturnReference	Explanation
COMMUNITY INFORMATION	SCHEDULE H, PART VI, QUESTION 4	WOMEN & INFANTS HOSPITAL OF RHODE ISLAND 'S PRIMARY SERVICE AREA CONSISTS OF A SUBURBAN POPULATION IN PROVIDENCE, RHODE ISLAND WITH A TOTAL POPULATION OF 178,042 THE AVERAGE HOUSEHOLD INCOME IS \$36,925 AND 26.3 PERCENT OF THE POPULATION HAS INCOME BELOW THE POVERTY LEVEL TWENTY FOUR HOSPITALS SERVE THE PRIMARY SERVICE AREA AND A SIGNIFICANT PERCENT OF HOSPITAL DISCHARGES ARE MEDICARE, MEDICAID AND UNINSURED PATIENTS AS OF THE 2008 AMERICAN COMMUNITY SURVEY CONDUCTED BY THE U.S. CENSUS BUREAU, PROVIDENCE CONSISTED OF THE FOLLOWING GROUPS 49.8% OF THE POPULATION WERE CAUCASIAN, 38.1% OF THE POPULATION WERE HISPANICS AND LATINOS OF ANY RACE AND 16% WERE BLACK OR AFRICAN AMERICAN



Identifier	ReturnReference	Explanation
PROMOTION OF COMMUNITY HEALTH	SCHEDULE H, PART VI, QUESTION 5	THE ORGANIZATION AND THE ENTIRE CARE NEW ENGLAND HEALTH SYSTEM PROMOTE THE HEALTH OF THE COMMUNITY ON A DAILY BASIS THROUGHOUT THE YEAR. THE SYSTEM COORDINATES AND OFFERS NUMEROUS COMMUNITY BENEFIT PROGRAMS, ACTIVITIES AND SUPPORT GROUPS TO THE COMMUNITY. PLEASE REFER TO SCHEDULE O FOR A DETAILED COMMUNITY BENEFIT STATEMENT.

Identifier	ReturnReference	Explanation
AFFILIATED HEALTHCARE SYSTEM	SCHEDULE H, PART VI, QUESTION 6	OUTLINED BELOW IS A SUMMARY OF THE ENTITIES WHICH COMPRISE THE CARE NEW ENGLAND HEALTH SYSTEM NOT FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES CARE NEW ENGLAND HEALTH SYSTEM CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF THE CARE NEW ENGLAND HEALTH SYSTEM ("CNE") THIS INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS THIS ORGANIZATION IS THE SOLE MEMBER OR STOCKHOLDER OF EACH AFFILIATED ENTITY CNE IS AN INTEGRATED SYSTEM OF HEALTHCARE PROVIDERS THROUGHOUT THE STATE OF RHODE ISLAND CARE NEW ENGLAND HEALTH SYSTEM IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) AS THE PARENT ORGANIZATION, CARE NEW ENGLAND HEALTH SYSTEM STRIVES TO CONTINUALLY DEVELOP AND OPERATE A MULTI-HOSPITAL HEALTHCARE SYSTEM WHICH PROVIDES SUBSTANTIAL COMMUNITY BENEFIT THROUGH THE PROVISION OF A COMPREHENSIVE SPECTRUM OF HEALTHCARE SERVICES TO THE RESIDENTS OF RHODE ISLAND AND SURROUNDING COMMUNITIES CARE NEW ENGLAND HEALTH SYSTEM ENSURES THAT ITS SYSTEM PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY NO INDIVIDUALS ARE DENIED NECESSARY MEDICAL CARE, TREATMENT OR SERVICES CNE'S ACTIVE HOSPITALS INCLUDE BUTLER HOSPITAL, WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND KENT COUNTY MEMORIAL HOSPITAL EACH OF THESE HOSPITALS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 1 EACH PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS, 2 EACH OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR, 3 EACH MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS, 4 CONTROL OF EACH RESTS WITH ITS BOARD OF DIRECTORS AND THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM BOTH BOARDS ARE COMPRISED OF A MAJORITY OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AND 5 SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES BUTLER HOSPITAL BUTLER HOSPITAL IS A 117-BED NON-PROFIT PRIVATE, NON-PROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN, AND SENIORS LOCATED IN PROVIDENCE, RHODE ISLAND BUTLER HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, BUTLER HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 KENT COUNTY MEMORIAL HOSPITAL KENT COUNTY MEMORIAL HOSPITAL IS A 359-BED NON-PROFIT ACUTE CARE HOSPITAL LOCATED IN WARWICK, RHODE ISLAND KENT COUNTY MEMORIAL HOSPITAL IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, KENT COUNTY MEMORIAL HOSPITAL OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 WOMEN & INFANTS HOSPITAL OF RHODE ISLAND WOMEN & INFANTS CORPORATION IS A 247-BED AND 60-BASSINET NON-PROFIT SPECIALTY HOSPITAL FOR WOMEN AND NEWBORNS LOCATED IN PROVIDENCE, RHODE ISLAND WOMEN & INFANTS CORPORATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION PURSUANT TO ITS CHARITABLE PURPOSES, THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY MOREOVER, WOMEN & INFANTS CORPORATION OPERATES CONSISTENTLY WITH THE CRITERIA OUTLINED IN IRS REVENUE RULING 69-545 BUTLER HOSPITAL FOUNDATION BUTLER HOSPITAL FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF BUTLER HOSPITAL, A RELATED INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY KENT COUNTY VISITING NURSE ASSOCIATION KENT COUNTY VISITING NURSE ASSOCIATION IS AN ORGANIZ

Identifier	ReturnReference	Explanation
AFFILIATED HEALTHCARE SYSTEM	SCHEDULE H, PART VI, QUESTION 6	ATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 170(B)(1)(A)(VI) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY KENT HOSPITAL FOUNDATION KENT HOSPITAL FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF KENT COUNTY MEMORIAL HOSPITAL, A RELATED INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION , THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY WOMEN & INFANTS DEVELOPMENT FOUNDATION WOMEN & INFANTS DEVELOPMENT FOUNDATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THROUGH FUNDRAISING ACTIVITIES THE ORGANIZATION SUPPORTS THE CHARITABLE PURPOSES, PROGRAMS AND SERVICES OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, A RELATED INTERNAL REVENUE CODE 501(C)(3) TAX-EXEMPT ORGANIZATION, THAT PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY WOMEN & INFANTS CORPORATION WOMEN & INFANTS CORPORATION IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(3) THE ORGANIZATION IS THE PARENT ENTITY OF WOMEN & INFANTS HOSPITAL OF RHODE ISLAND AND ITS AFFILIATES, WHICH PROVIDE MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY PALOMAR GROUP, INC PALOMAR GROUP, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(2) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY WIH FACULTY PHYSICIANS, INC WIH FACULTY PHYSICIANS, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(2) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY HEALTH TOUCH, INC HEALTH TOUCH, INC IS AN ORGANIZATION RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS TAX-EXEMPT PURSUANT TO INTERNAL REVENUE CODE 501(C)(3) AND AS A NON-PRIVATE FOUNDATION PURSUANT TO INTERNAL REVENUE CODE 509(A)(2) THE ORGANIZATION PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF RACE, COLOR, CREED, SEX, NATIONAL ORIGIN, RELIGION OR ABILITY TO PAY AFFINITY PHYSICIANS, LLC AND KENT ANCILLARY SERVICES, LLC ARE SINGLE MEMBER LIMITED LIABILITY COMPANIES OF KENT COUNTY MEMORIAL HOSPITAL FOR-PROFIT CARE NEW ENGLAND HEALTH SYSTEM ENTITIES W&I INDEMNITY LTDAN ENTITY 100% OWNED BY WOMEN & INFANTS HOSPITAL OF RHODE ISLAND THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN TOLL GATE INDEMNITY LTD AN ENTITY 100% OWNED BY KENT COUNTY MEMORIAL HOSPITAL THIS ENTITY IS A FINANCIAL VEHICLE AND FOREIGN CORPORATION LOCATED IN GRAND CAYMAN

Identifier	ReturnReference	Explanation
STATE FILING OF COMMUNITY BENEFIT REPORT	SCHEDULE H, PART VI, QUESTION 7	NOT APPLICABLE THE ENTITY AND RELATED PROVIDER ORGANIZATIONS ARE LOCATED IN RHODE ISLAND NO COMMUNITY BENEFIT REPORT IS FILED WITH THE STATE OF RHODE ISLAND

## Additional Data

Software ID:

**Software Version:**

**EIN:** 05-0258937

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

[illegible]

**Form 990 Schedule H, Part V Section C. Other Facilities That Are Not Licensed, Registered, or Similarly Recognized as a Hospital Facility**

[illegible]

**Grants and Other Assistance to Organizations,  
Governments and Individuals in the United States**  
Complete if the organization answered "Yes," to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990

# 2011

## Open to Public Inspection

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

**Employer identification number**  
05-0258937

## Part I General Information on Grants and Assistance

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? . . . . . ☒ Yes ☐ No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21 for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

[illegible]

- |          |   |          |
|----------|---|----------|
| <b>2</b> | Enter total number of section 501(c)(3) and government organizations listed in the line 1 table . . . . . | <b>1</b> |
| <b>3</b> | Enter total number of other organizations listed in the line 1 table . . . . .                            | <b>0</b> |

**Part III**

**Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 22.  
Use Schedule I-1 (Form 990) if additional space is needed.

(a)Type of grant or assistance	(b)Number of recipients	(c)Amount of cash grant	(d)Amount of non-cash assistance	(e)Method of valuation (book, FMV, appraisal, other)	(f)Description of non-cash assistance

**Part IV**

**Supplemental Information.** Complete this part to provide the information required in Part I, line 2, and any other additional information.

Identifier	Return Reference	Explanation
GRANT FUND MONITORING	SCHEDULE I, PART I, QUESTION 2	GRANTS ARE MONITORED BY THE ORGANIZATION'S FINANCE PERSONNEL THROUGH THE UTILIZATION OF COST CENTERS AND OTHER INFORMATION, INCLUDING WRITTEN DOCUMENTATION AND RECEIPTS



Schedule J  
(Form 990)

Compensation Information

OMB No 1545-0047

2011

Open to Public Inspection

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, question 23.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I

Questions Regarding Compensation

		Yes	No
1a	Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a Complete Part III to provide any relevant information regarding these items		
	<div><div><input type="checkbox"/> First-class or charter travel</div><div><input type="checkbox"/> Housing allowance or residence for personal use</div></div> <div><div><input type="checkbox"/> Travel for companions</div><div><input type="checkbox"/> Payments for business use of personal residence</div></div> <div><div><input type="checkbox"/> Tax idemnification and gross-up payments</div><div><input type="checkbox"/> Health or social club dues or initiation fees</div></div> <div><div><input type="checkbox"/> Discretionary spending account</div><div><input type="checkbox"/> Personal services (e g , maid, chauffeur, chef)</div></div>		
b	If any of the boxes in line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all the expenses described above? If "No," complete Part III to explain	1b	
2	Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	2	
3	Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director Check all that apply		
	<div><div><input checked="" type="checkbox"/> Compensation committee</div><div><input type="checkbox"/> Written employment contract</div></div> <div><div><input checked="" type="checkbox"/> Independent compensation consultant</div><div><input checked="" type="checkbox"/> Compensation survey or study</div></div> <div><div><input type="checkbox"/> Form 990 of other organizations</div><div><input checked="" type="checkbox"/> Approval by the board or compensation committee</div></div>		
4	During the year, did any person listed in Form 990, Part VII, Section A, line 1a with respect to the filing organization or a related organization		
a	Receive a severance payment or change-of-control payment?	4a	Yes
b	Participate in, or receive payment from, a supplemental nonqualified retirement plan?	4b	Yes
c	Participate in, or receive payment from, an equity-based compensation arrangement?	4c	No
	If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III		
	Only 501(c)(3) and 501(c)(4) organizations only must complete lines 5-9.		
5	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of		
a	The organization?	5a	No
b	Any related organization?	5b	No
	If "Yes," to line 5a or 5b, describe in Part III		
6	For persons listed in form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of		
a	The organization?	6a	Yes
b	Any related organization?	6b	Yes
	If "Yes," to line 6a or 6b, describe in Part III		
7	For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	7	Yes
8	Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs section 53 4958-4(a)(3)? If "Yes," describe in Part III	8	No
9	If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53 4958-6(c)?	9	

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

**Note.** The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, columns (D) and (E) for that individual.

[illegible]

**Part III**   **Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
COMPENSATION INFORMATION	PART VII AND SCHEDULE J	TAXABLE COMPENSATION REPORTED HEREIN IS DERIVED FROM 2011 FORMS W-2 AND 1099 (IF APPLICABLE)
COMPENSATION INFORMATION	PART VII AND SCHEDULE J	PLEASE NOTE THAT THERE IS NO COMPENSATION SHOWN FOR ANGELLENE PETERS-LEWIS WHO BECAME AN EMPLOYEE ON FEBRUARY 27, 2012 AND, THEREFORE, DID NOT RECEIVE A 2011 FORM W-2
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 4A	CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A SEVERANCE PAYMENT WHICH AMOUNTS WERE INCLUDED ON EACH INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. JOANNA CAIN, M D , \$475,997, PATRICE DIMARIO, \$161,903 AND JANET SCHIPPER, \$97,489
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 4B	AMOUNT REFLECTED IN COLUMN B(III) FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THE AMOUNTS OUTLINED HEREIN WERE INCLUDED IN EACH INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. CONSTANCE A. HOWES, J D , FACHE, \$79,792, JOHN M SUTHERLAND, III, \$283,459, GAIL COSTA, \$47,960, THOMAS R. COURAGE, ESQ , \$60,695, MAYBELLE KERNAN, \$44,286, JOANNA CAIN, M D , \$30,597 AND JAMES F. PADBURY, M D , \$69,884. THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUALS INCLUDES UNVESTED BENEFITS IN A LONG-TERM INCENTIVE PLAN WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUALS MAY NEVER ACTUALLY RECEIVE THE UNVESTED BENEFIT AMOUNT. THE AMOUNTS OUTLINED HEREIN WERE NOT INCLUDED IN THE INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE WAGES. CONSTANCE A. HOWES, J D , FACHE, \$165,433, ALYSSA BOSS, ESQ , \$41,840, JOHN M SUTHERLAND, III, \$115,707, MARK MARCANTANO, \$92,067, RAYMOND POWRIE, M D , \$65,787, GAIL COSTA, \$65,943, KAREN DAVIE, \$43,385, THOMAS R. COURAGE, ESQ , \$84,107, MAYBELLE KERNAN, \$58,773 AND JAMES F. PADBURY, M D , \$70,806. THE DEFERRED COMPENSATION AMOUNT IN COLUMN C FOR THE FOLLOWING INDIVIDUAL INCLUDES UNVESTED BENEFITS IN AN INTERNAL REVENUE CODE SECTION 457(F) PLAN (NON-QUALIFIED DEFERRED COMPENSATION PLAN) WHICH ARE SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. ACCORDINGLY, THE INDIVIDUAL MAY NEVER ACTUALLY RECEIVE THIS UNVESTED BENEFIT AMOUNT. THE AMOUNT OUTLINED HEREIN WAS NOT INCLUDED IN THE INDIVIDUAL'S 2011 FORM W-2, AS TAXABLE WAGES. DENNIS D. KEEFE, \$200,000.
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 6A & 6B	THE EXECUTIVE COMPENSATION PACKAGE FOR VARIOUS INDIVIDUALS REPORTED ON THIS FORM 990 CONSISTS OF BOTH A FIXED SALARY AND ADDITIONAL AT-RISK COMPENSATION THAT IS BASED ON SEVERAL QUALITATIVE AND QUANTITATIVE COMPONENTS. THE AT-RISK COMPENSATION IS COMPRISED OF BOTH SHORT-TERM AND LONG-TERM FACTORS AS FOLLOWS. THE SHORT-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACHIEVEMENT OF CRITICAL STRETCH GOALS THAT RECOGNIZE PERFORMANCE ABOVE EXPECTATIONS. THESE GOALS ARE MEASURED FOR EACH FISCAL PERIOD IN THE FOLLOWING CRITICAL AREAS: QUALITY, FINANCIAL AND PATIENT SATISFACTION. THE LONG-TERM INCENTIVE PROGRAM PROVIDES AN OPPORTUNITY FOR PROGRAM PARTICIPANTS TO EARN AN INCENTIVE AWARD BASED ON THE ACCOMPLISHMENT OF CRITICAL MULTI-YEAR SYSTEM PERFORMANCE OBJECTIVES. AWARDS ARE EARNED BY MEASURING SYSTEM PERFORMANCE OVER THREE-YEAR OVERLAPPING PERFORMANCE PERIODS AND ARE MEASURED IN REFERENCE TO GOALS IN THE FOLLOWING CRITICAL AREAS: NET INCOME FROM OPERATIONS, MARKET SHARE, PATIENT SATISFACTION AND STRATEGIC OBJECTIVE.
COMPENSATION INFORMATION	SCHEDULE J, PART I, QUESTION 7	CERTAIN INDIVIDUALS INCLUDED IN SCHEDULE J, PART II RECEIVED A BONUS DURING CALENDAR YEAR 2011 WHICH AMOUNTS WERE INCLUDED IN COLUMN B(II) HEREIN AND IN EACH INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. PLEASE REFER TO THIS SECTION OF THE FORM 990, SCHEDULE J FOR THIS INFORMATION BY PERSON BY AMOUNT.
COMPENSATION INFORMATION	SCHEDULE J, PART II, COLUMN F	THE AMOUNT REPORTED IN SCHEDULE J, PART II, COLUMN F FOR THE FOLLOWING INDIVIDUALS INCLUDES VESTED BENEFITS IN A LONG TERM INCENTIVE PLAN BECAUSE THE AMOUNT WAS NO LONGER SUBJECT TO A SUBSTANTIAL RISK OF COMPLETE FORFEITURE. THIS AMOUNT WAS TREATED AS TAXABLE INCOME AND REPORTED ON EACH INDIVIDUAL'S 2011 FORM W-2, BOX 5, AS TAXABLE MEDICARE WAGES. CONSTANCE A. HOWES, J D , FACHE, \$79,792, JOHN M. SUTHERLAND, III, \$283,459, GAIL COSTA, \$47,960, THOMAS R. COURAGE, ESQ , \$60,695, MAYBELLE KERNAN, \$44,286, JOANNA CAIN, M D , \$30,597 AND JAMES F. PADBURY, M D , \$69,884. THESE AMOUNTS WERE REPORTED ON PRIOR YEAR FORMS 990 AS AT-RISK NON-TAXABLE DEFERRED COMPENSATION IN SCHEDULE J, PART II, COLUMN C.

Software ID:

Software Version:

EIN: 05-0258937

Name: WOMEN &amp; INFANTS HOSPITAL OF RI

## Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
CONSTANCE A HOWES JD FACHE	(i) (ii)	539,048 0	123,200 0	141,361 0	187,483 0	14,455 0	1,005,547 0	79,792 0
DENNIS D KEEFE	(i) (ii)	0 324,669	0 10,000	0 27,901	0 200,000	0 15,857	0 578,427	0 0
LISA B SHEA MD	(i) (ii)	0 259,411	0 5,280	0 339	0 18,309	0 2,939	0 286,278	0 0
JOSEPH W SPINALE DO FACC FACP	(i) (ii)	0 78,210	0 0	0 98,086	0 0	0 17,832	0 194,128	0 0
ALYSSA BOSS ESQ	(i) (ii)	207,760 0	51,645 0	11,080 0	56,540 0	18,043 0	345,068 0	0 0
JOHN M SUTHERLAND III	(i) (ii)	436,565 0	130,200 0	336,891 0	140,207 0	22,092 0	1,065,955 0	283,459 0
MARK MARCANTANO	(i) (ii)	361,210 0	109,150 0	52,090 0	106,677 0	24,011 0	653,138 0	0 0
RAYMOND POWRIE MD	(i) (ii)	331,225 0	112,600 0	25,347 0	80,357 0	13,230 0	562,759 0	0 0
GAIL COSTA	(i) (ii)	242,095 0	60,950 0	83,169 0	92,893 0	15,728 0	494,835 0	47,960 0
KAREN DAVIE	(i) (ii)	204,230 0	68,600 0	90,646 0	62,985 0	20,962 0	447,423 0	0 0
DEBRA M PAUL CPA MBATERM 10111	(i) (ii)	0 232,169	0 0	0 63,232	0 18,375	0 6,277	0 320,053	0 0
CORNELIUS GRANAI MD	(i) (ii)	541,684 0	95,000 0	20,786 0	0 0	20,893 0	678,363 0	0 0
THOMAS R COURAGE ESQ RET 12311	(i) (ii)	309,318 0	77,740 0	94,153 0	108,607 0	24,176 0	613,994 0	60,695 0
MAYBELLE KERNAN	(i) (ii)	211,200 0	54,326 0	69,919 0	85,723 0	19,296 0	440,464 0	44,286 0
THOMAS HUGHES	(i) (ii)	170,427 0	66,233 0	5,584 0	15,794 0	6,006 0	264,044 0	0 0
PAUL F HEFFERNAN	(i) (ii)	61,921 112,714	0 36,000	0 5,083	0 0	0 10,560	61,921 164,357	0 0
JOANNA CAIN MD TERM 122710	(i) (ii)	0 0	0 0	560,182 0	0 0	19,267 0	579,449 0	30,597 0
WILLIAM LAWRENCE MD	(i) (ii)	422,943 0	77,500 0	19,939 0	0 0	21,825 0	542,207 0	0 0

Form 990, Schedule J, Part II - Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

(A) Name		(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported in prior Form 990 or Form 990-EZ
		(i) Base Compensation	(ii) Bonus & incentive compensation	(iii) Other compensation				
JAMES F PADBURY MD	(i) (ii)	392,684 0	0 0	90,582 0	70,806 0	18,599 0	572,671 0	69,884 0
CHRISTY DIBBLE MD	(i) (ii)	299,743 0	167,881 0	1,076 0	0 0	2,340 0	471,040 0	0 0
KATHARINE WENSTROM MD	(i) (ii)	431,680 0	0 0	18,813 0	0 0	3,165 0	453,658 0	0 0
PATRICE DIMARIO	(i) (ii)	0 0	0 0	161,903 0	0 0	2,535 0	164,438 0	0 0
SUSAN E MAXWELL	(i) (ii)	126,403 0	13,400 0	12,398 0	0 0	1,114 0	153,315 0	0 0
JANET SCHIPPER	(i) (ii)	33,256 0	0 0	108,620 0	0 0	755 0	142,631 0	0 0
JOSEPH RODA	(i) (ii)	0 101,317	0 0	57,270 11,749	0 11,683	0 1,920	57,270 126,669	0 0

Schedule L  
(Form 990 or 990-EZ)

Transactions with Interested Persons

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I

Excess Benefit Transactions (section 501(c)(3) and section 501 (c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b

1	(a) Name of disqualified person	(b) Description of transaction	(c) Corrected?	
			Yes	No

2 Enter the amount of tax imposed on the organization managers or disqualified persons during the year under section 4958 . . . . . ► \$

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ► \$

Part II

Loans to and/or From Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 26, or Form 990-EZ, Part V, line 38a

(a) Name of interested person and purpose	(b) Loan to or from the organization?		(c)Original principal amount	(d)Balance due	(e) In default?		(f) Approved by board or committee?		(g)Written agreement?	
	To	From			Yes	No	Yes	No	Yes	No
Total . . . . . ► \$										

Part III

Grants or Assistance Benefitting Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b)Relationship between interested person and the organization	(c)Amount of grant or type of assistance

Part IV Business Transactions Involving Interested Persons.

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) ROBERTS CARROLL FELDSTEIN PEIRC	PLEASE REFER TO PART V	776,317	PROFESSIONAL SERVICES		No
(2) JAMES A O'BRIEN	DIRECTOR, GALVIN	354,089	HOSPITAL EMPLOYEE		No
(3) HINCKLEY ALLEN SNYDER LLP	PLEASE REFER TO PART V	208,854	PROFESSIONAL SERVICES		No

Part V Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule L (see instructions)

Identifier	Return Reference	Explanation
BUSINESS TRANSACTIONS INVOLVING INTERESTED PERSONS	SCHEDULE L, PART IV	THE SPOUSE OF CONSTANCE A HOWES, J D , FACHE IS A PARTNER IN THE LAW FIRM OF ROBERTS, CARROLL, FELDSTEIN & PEIRCE THIS ORGANIZATION UTILIZED THE SERVICES OF THIS FIRM DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2012 TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED \$776,317 SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS CHARLES R REPPUCCI, ESQ AND ROBERT G FLANDERS, JR , ESQ , DIRECTORS OF THIS ORGANIZATION ARE PARTNERS IN THE LAW FIRM OF HINCKLEY, ALLEN & SNYDER, L L P THIS ORGANIZATION UTILIZED THE SERVICES OF THIS FIRM DURING ITS FISCAL YEAR ENDED SEPTEMBER 30, 2012 TOTAL FEES PAID BY THE ORGANIZATION TO THIS FIRM TOTALED \$208,854 SERVICES WERE RENDERED AT FAIR MARKET VALUE RATES PURSUANT TO ARMS-LENGTH NEGOTIATIONS

SCHEDULE M  
(Form 990)

Department of the Treasury  
Internal Revenue Service

NonCash Contributions

►Complete if the organization answered "Yes" on Form 990, Part IV, lines 29 or 30.  
► Attach to Form 990.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I Types of Property

	(a) Check if applicable	(b) Number of Contributions or items contributed	(c) Contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining contribution amounts
1 Art—Works of art . . . . .	X	3	14,000	FMV
2 Art—Historical treasures . . . . .				
3 Art—Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities—Publicly traded . . . . .	X	1	49,683	FMV
10 Securities—Closely held stock . . . . .				
11 Securities—Partnership, LLC, or trust interests . . . . .				
12 Securities—Miscellaneous . . . . .				
13 Qualified conservation contribution—Historic structures . . . . .				
14 Qualified conservation contribution—Other . . . . .				
15 Real estate—Residential . . . . .				
16 Real estate—Commercial . . . . .				
17 Real estate—Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .				
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ► ( )				
26 Other ►( )				
27 Other ►( )				
28 Other ► ( )				
29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . .	29		1	
30a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .	30a	Yes	No	
b If "Yes," describe the arrangement in Part II				
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	31	Yes		
32a Does the organization hire or use third parties or related organizations to solicit, process, or sell non-cash contributions? . . . . .	32a	Yes		
b If "Yes," describe in Part II				
33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II				



Part III

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

Identifier	Return Reference	Explanation
NON-CASH GIFTS	SCHEDULE M, PART I, QUESTION 32A	THE HOSPITAL USES THE SERVICES OF MERRILL LYNCH FOR DONATIONS OF STOCK ANY COMMISSIONS PAID REGARDING THESE SERVICES WERE FAIR MARKET VALUE ON AN ARMS-LENGTH BASIS

2011

Open to Public  
Inspection

**SCHEDULE O**  
(Form 990 or 990-EZ)

Department of the Treasury  
Internal Revenue Service

**Supplemental Information to Form 990 or 990-EZ**

**Complete to provide information for responses to specific questions on  
Form 990 or to provide any additional information.**  
▶ **Attach to Form 990 or 990-EZ.**

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

**Employer identification number**  
05-0258937

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>WOMEN &amp; INFANTS HOSPITAL OF RHODE ISLAND ("WOMEN &amp; INFANTS") IS A NOT FOR-PROFIT LICENSED COMPREHENSIVE NEWBORN CHILDREN AND WOMEN HOSPITAL. WOMEN &amp; INFANTS IS RECOGNIZED BY THE IRS AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATION. PURSUANT TO ITS CHARITABLE PURPOSES, WOMEN &amp; INFANTS PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS IN A NON-DISCRIMINATORY MANNER REGARDLESS OF RACE, COLOR, CREED, SEX, RELIGION, NATIONAL ORIGIN OR ABILITY TO PAY. MOREOVER, WOMEN &amp; INFANTS OPERATES CONSISTENTLY WITH THE FOLLOWING CRITERIA OUTLINED IN IRS REVENUE RULING 69-545: 1. WOMEN &amp; INFANTS PROVIDES MEDICALLY NECESSARY HEALTHCARE SERVICES TO ALL INDIVIDUALS REGARDLESS OF ABILITY TO PAY, INCLUDING CHARITY CARE, SELF-PAY, MEDICARE AND MEDICAID PATIENTS; 2. WOMEN &amp; INFANTS OPERATES AN ACTIVE EMERGENCY ROOM FOR ALL PERSONS, WHICH IS OPEN 24 HOURS A DAY, 7 DAYS A WEEK, 365 DAYS PER YEAR; 3. WOMEN &amp; INFANTS MAINTAINS AN OPEN MEDICAL STAFF, WITH PRIVILEGES AVAILABLE TO ALL QUALIFIED PHYSICIANS; 4. CONTROL OF WOMEN &amp; INFANTS RESTS WITH ITS BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM. THE BOARD IS COMPRISED OF INDEPENDENT CIVIC LEADERS AND OTHER PROMINENT MEMBERS OF THE COMMUNITY, AND 5. SURPLUS FUNDS ARE USED TO IMPROVE THE QUALITY OF PATIENT CARE, EXPAND AND RENOVATE FACILITIES AND ADVANCE MEDICAL CARE, PROGRAMS AND ACTIVITIES. THE OPERATIONS OF WOMEN &amp; INFANTS, AS SHOWN THROUGH THE FACTORS OUTLINED ABOVE AND OTHER INFORMATION CONTAINED HEREIN, CLEARLY DEMONSTRATE THAT THE HOSPITAL PROVIDES SUBSTANTIAL COMMUNITY BENEFIT AND THAT THE USE AND CONTROL OF WOMEN &amp; INFANTS IS FOR THE BENEFIT OF THE PUBLIC AND THAT NO PART OF THE INCOME OR NET EARNINGS OF THE ORGANIZATION INURES TO THE BENEFIT OF ANY PRIVATE INDIVIDUAL NOR IS ANY PRIVATE INTEREST BEING SERVED OTHER THAN INCIDENTALLY.</p> <p>HISTORY ===== WOMEN &amp; INFANTS IS AN AFFILIATE WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM ("CARE NEW ENGLAND"). CARE NEW ENGLAND IS THE TAX-EXEMPT PARENT OF THE HEALTH SYSTEM. THIS TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM CONSISTS OF A GROUP OF AFFILIATED HEALTHCARE ORGANIZATIONS. WOMEN &amp; INFANTS IS A NOT FOR-PROFIT LICENSED COMPREHENSIVE NEWBORN CHILDREN AND WOMEN HOSPITAL WITH 167 ADULT BEDS (45 MEDICAL/SURGICAL AND 122 OBSTETRICS), 80 NEONATAL INTENSIVE CARE UNIT BEDS, 60 NEWBORN BASSINETS AND 10 OPERATING ROOMS. DURING FISCAL YEAR 2012, WOMEN &amp; INFANTS RECORDED 20,260 DISCHARGES OF PATIENTS FOR INPATIENT SERVICES, 165,411 OUTPATIENT VISITS, 28,335 EMERGENCY ROOM VISITS AND 206,195 TOTAL VISITS AND DISCHARGES. WOMEN &amp; INFANTS RECORDED 8,362 DELIVERIES IN FISCAL YEAR 2012, INCLUDING 155 BABIES WHO WERE DELIVERED IN THE HOSPITAL'S ALTERNATIVE BIRTHING CENTER. WOMEN &amp; INFANTS OFFERS THE SERVICES OF A GENERAL AND GYNECOLOGICAL SURGICAL PROGRAM WITH MORE THAN 7,739 PROCEDURES PERFORMED IN FISCAL YEAR 2012. WOMEN &amp; INFANTS ANNUALLY EMPLOYS APPROXIMATELY 3,000 FULL-TIME, PART-TIME AND PER DIEM EMPLOYEES. CARE NEW ENGLAND HEALTH SYSTEM WAS FORMED IN FEBRUARY 1996 BY FOUNDING MEMBERS BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN &amp; INFANTS HOSPITAL OF RHODE ISLAND. THESE THREE HOSPITALS ARE ALL INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS. IN JUNE 1999, KENT COUNTY VISITING NURSE ASSOCIATION BECAME A MEMBER OF THE CARE NEW ENGLAND FAMILY, AND LATER THAT YEAR ANNOUNCED ITS NAME CHANGE TO VNA OF CARE NEW ENGLAND. IN 2000, HEALTH TOUCH, INC., A PRIVATE DUTY NURSING SERVICE, JOINED THE DIVISION. TODAY, VNA OF CARE NEW ENGLAND PROVIDES A BROAD SPECTRUM OF HOME HEALTH AND HOSPICE SERVICES. THE CARE NEW ENGLAND HEALTH SYSTEM WAS FOUNDED IN 1996 BY MEMBERS COMMITTED TO THE VISION THAT WE CAN BUILD A BETTER SYSTEM OF HEALTHCARE FOR THE PEOPLE AND COMMUNITIES OF SOUTHEASTERN NEW ENGLAND. THE SYSTEM OFFERS THE LATEST ADVANCES IN MEDICINE, SPECIALTY-TRAINED DOCTORS, AND RENOWNED SERVICES AND CARE. AN INTEGRATED HEALTH SYSTEM THAT OFFERS A CONTINUUM OF QUALITY CARE, CARE NEW ENGLAND IS MOVING HEALTHCARE FORWARD AND REINVENTING THE WAY HEALTHCARE IS DELIVERED. THIS APPROACH PUTS A BROAD SPECTRUM OF CARE - ADDRESSING CANCER, CARDIAC REHABILITATION, HYPERBARIC MEDICINE, PARKINSON'S DISEASE, MATERNAL-FETAL MEDICINE AND FETAL SURGERY, ADVANCED LAPAROSCOPIC AND ROBOTIC SURGERY, STROKE AND ADDICTION TREATMENT - ALL UNDER ONE UMBRELLA SO THEY ARE EASILY ACCESSIBLE TO PATIENTS AND FAMILIES. CARE NEW ENGLAND IS COMPRISED OF FIVE MEMBERS: BUTLER HOSPITAL, RHODE ISLAND'S ONLY PRIVATE, NONPROFIT PSYCHIATRIC AND SUBSTANCE ABUSE HOSPITAL FOR ADULTS, ADOLESCENTS, CHILDREN AND SENIORS; KENT HOSPITAL, THE LARGEST COMMUNITY HOSPITAL IN THE STATE, PROVIDING A FULL SPECTRUM OF PRIMARY AND SECONDARY ACUTE CARE SERVICES; WOMEN &amp; INFANTS HOSPITAL OF RHODE ISLAND, ONE OF THE NATION'S BUSIEST OBSTETRICAL FACILITIES WITH ONE OF THE NATION'S LARGEST SINGLE-FAMILY ROOM NEONATAL INTENSIVE CARE UNITS, THE AREA'S ONLY TERTIARY LEVEL NEONATAL FACILITY, AND VARIOUS SPECIALTY SERVICES; THE VNA OF CARE NEW ENGLAND, WHICH PROV</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>IDES A BROAD SPECTRUM OF HOME HEALTH, HOSPICE AND PRIVATE DUTY NURSING SERVICES FOR NEW MO THERS, THE ELDERLY AND THE TERMINALLY ILL, AND THE CARE NEW ENGLAND WELLNESS CENTER, WHICH OFFERS AN ARRAY OF REHABILITATION, WELLNESS, FITNESS AND EDUCATIONAL PROGRAMS THE SYSTEM INCLUDES A SOLID, DIVERSE COMBINATION OF PHYSICIAN SPECIALISTS AND GENERALISTS AND A STRO NG COMMITMENT TO EDUCATION BUTLER AND WOMEN &amp; INFANTS HOSPITALS ARE MAJOR TEACHING AFFILI ATES OF THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY , WHILE KENT IS A TEACHING SIT E FOR THE UNIVERSITY OF NEW ENGLAND COLLEGE OF OSTEOPATHIC MEDICINE IN ADDITION, CARE NEW ENGLAND IS COMMITTED, THROUGH NATIONAL AND INTERNATIONALLY-FUNDED AND RECOGNIZED RESEARCH PROJECTS, TO FINDING ANSWERS TO MANY OF TODAY'S MEDICAL QUESTIONS CARE NEW ENGLAND PROVIDES MEDICALLY NECESSARY HEALTHCARE TO PATIENTS WHO MEET CERTAIN CRITERIA UNDER ITS CHARITY CARE POLICY WITHOUT CHARGE OR AT A MOUNTS LESS THAN THE ESTABLISHED RATES BECAUSE CARE NE W ENGLAND DOES NOT PURSUE COLLECTION OF AMOUNTS DETERMINED TO QUALIFY AS CHARITY CARE, THE Y ARE NOT REPORTED AS REVENUE CHARITY CARE INCLUDES SERVICES TO UNINSURED PATIENTS WHO CA RE NEW ENGLAND HAS DETERMINED QUALIFY FOR CHARITY CARE UNDER CARE NEW ENGLAND POLICIES SE RVICES TO UNINSURED PATIENTS WHO ARE NOT ELIGIBLE FOR CHARITY CARE OR WHO CARE NEW ENGLAND WAS NOT ABLE TO DETERMINE THEIR ELIGIBILITY ARE NOT REPORTED AS CHARITY CARE BUT REPORTED IN THE PROVISION FOR BAD DEBTS ADDITIONALLY , CARE NEW ENGLAND SPONSORS CERTAIN OTHER PRO GRAMS WHICH PROVIDE SUBSTANTIAL BENEFIT TO THE BROADER COMMUNITY SUCH PROGRAMS INCLUDE SE RVICES TO NEEDY POPULATIONS INCLUDING COMMUNITY SERVICE PROGRAMS AND SERVICES FOR SCHOOL-A GED CHILDREN AND THE ELDERLY CARE NEW ENGLAND ALSO ACTIVELY SPONSORS PROGRAMS ON HEALTH E DUCATION AND WELLNESS CARE NEW ENGLAND MAINTAINS RECORDS TO IDENTIFY AND MONITOR THE LEVE L OF CHARITY CARE AND COMMUNITY SERVICE IT PROVIDES THESE RECORDS INCLUDE THE AMOUNT OF C HARGES FORGONE BASED ON ESTABLISHED RATES FOR SERVICES AND SUPPLIES FURNISHED UNDER ITS CH ARITY AND COMMUNITY SERVICE POLICIES MISSION ===== WOMEN &amp; INFANTS, A MAJOR TEACHING AF FILIATE OF THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY , IS COMMITTED TO IMPROVING THE HEALTH AND WELL BEING OF WOMEN AND INFANTS AND TO PROVIDING ESSENTIAL SERVICES REGARD LESS OF ABILITY TO PAY VISION ===== WOMEN &amp; INFANTS WILL BE THE RECOGNIZED LEADER IN HEA LTHCARE FOR WOMEN AND INFANTS VALUES ===== AS A MEMBER OF THE CARE NEW ENGLAND HEALTH SY STEM, WE PUT OUR PATIENTS AND THEIR FAMILIES AT THE CENTER OF ALL WE DO IN OUR DAY-TO-DAY INTERACTIONS WITH PATIENTS, FAMILIES, AND EACH OTHER, OUR ACTIONS AND DECISIONS ARE GUIDE D BY THE FOLLOWING CORE VALUES - COMPASSION WE TREAT EVERYONE WITH UNDERSTANDING AND CAR ING - NEW IDEAS WE ENCOURAGE LIFELONG LEARNING, CONTINUAL IMPROVEMENT, AND INNOVATION - EXCELLENCE WE DEMONSTRATE UNPARALLELED QUALITY IN ALL WE DO - COLLABORATION WE WORK IN PARTNERSHIP WITH THOSE AROUND US, INCLUDING OUR PATIENTS AND THEIR FAMILIES - ACCOUNTABI LITY WE HOLD OURSELVES ACCOUNTABLE FOR THE IMPACT OF OUR DECISIONS - RESPECT WE TREAT E ACH PERSON WITH DIGNITY , RESPECTING THE DIVERSE NEEDS OF THOSE WE SERVE - ETHICS WE HOLD OURSELVES TO THE HIGHEST ETHICAL STANDARDS</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>AWARDS &amp; RECOGNITIONS ===== WOMEN &amp; INFANTS HAS RECEIVED THE FOLLOWING AWARDS AND RECOGNITIONS - 2011 - RANKED NUMBER ONE IN THE PROVIDENCE METRO AREA IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS - 2011 - RANKED A BEST HOSPITAL IN GYNECOLOGY IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS - 2011 - RANKED A BEST HOSPITAL IN CANCER IN U.S. NEWS BEST HOSPITALS METRO AREA RANKINGS - 2011 - NAMED A U.S. NEWS BEST CHILDREN'S HOSPITALS IN NEONATOLOGY - 2010 - NAMED A U.S. NEWS BEST HOSPITAL IN GYNECOLOGY - 2002 - NAMED ONE OF THE TOP TEN PLACES IN THE U.S. TO DELIVER A BABY BY FIT PREGNANCY MAGAZINE - 2001 - NAMED ONE OF THE BEST HOSPITALS IN GYNECOLOGY IN THE AMERICA'S BEST HOSPITALS IN U.S. NEWS &amp; WORLD REPORT - 2000 - NAMED ONE OF THE BEST HOSPITALS IN GYNECOLOGY IN THE AMERICA'S BEST HOSPITALS IN U.S. NEWS &amp; WORLD REPORT CENTERS OF EXCELLENCE ===== WOMEN &amp; INFANTS HAS THE FOLLOWING CENTERS OF EXCELLENCE - A CENTER OF EXCELLENCE FOR REPRODUCTIVE HEALTH RESOURCES, OPTUM HEALTH - A BREAST CENTER OF EXCELLENCE, AMERICAN COLLEGE OF RADIOGRAPHY - A CENTER FOR INVITRO MATURATION EXCELLENCE, SAGE INVITRO FERTILIZATION - A CENTER OF BIOMEDICAL RESEARCH EXCELLENCE, NATIONAL INSTITUTES OF HEALTH - A NEONATAL RESOURCE SERVICES CENTER OF EXCELLENCE - A MEMBER OF THE NATIONAL CANCER INSTITUTE'S GYNECOLOGIC ONCOLOGY GROUP - A BROWN UNIVERSITY/WOMEN &amp; INFANTS NATIONAL CENTER OF EXCELLENCE IN WOMEN'S HEALTH BY THE U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES WOMEN &amp; INFANTS IS AN ACCOMPLISHED TEACHING HOSPITAL</p> <p>===== WE ARE - THE MAJOR AFFILIATED TEACHING HOSPITAL FOR ACTIVITIES UNIQUE TO WOMEN AND NEWBORNS AT THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY AN EDUCATIONAL LEADER, WOMEN &amp; INFANTS OFFERS NATIONALLY ACCREDITED FELLOWSHIPS IN GYNECOLOGIC ONCOLOGY, MATERNAL-FETAL MEDICINE, UROGYNECOLOGY AND RECONSTRUCTIVE PELVIC SURGERY, NEONATAL-PERINATAL MEDICINE, PEDIATRICS AND PERINATAL PATHOLOGY, GYNECOLOGIC PATHOLOGY AND CYTOPATHOLOGY, BREAST DISEASE, AND REPRODUCTIVE ENDOCRINOLOGY AND INFERTILITY PROGRAM HIGHLIGHTS FROM 2012 - BECKER'S HOSPITAL REVIEW THIS YEAR NAMED WOMEN &amp; INFANTS TO ITS LIST OF 100 HOSPITALS WITH GREAT WOMEN'S HEALTH PROGRAMS WOMEN &amp; INFANTS IS THE ONLY HOSPITAL IN THE STATE NAMED TO THE LIST, WHICH RECOGNIZES HOSPITALS THAT OFFER OUTSTANDING WOMEN'S HEALTH PROGRAMS, INCLUDING GYNECOLOGY, OBSTETRICS, REPRODUCTIVE MEDICINE AND OTHER GENDER-SPECIFIC CONDITIONS AND HEALTH NEEDS - WOMEN &amp; INFANTS WAS SELECTED TO PARTICIPATE IN BEST FED BEGINNINGS, A FIRST-OF-ITS-KIND NATIONAL EFFORT TO SIGNIFICANTLY IMPROVE BREASTFEEDING RATES IN STATES WHERE RATES ARE CURRENTLY THE LOWEST RHODE ISLAND RANKS 35TH IN THE NATION FOR BREASTFEEDING INITIATION WOMEN &amp; INFANTS IS THE ONLY HOSPITAL IN NEW ENGLAND TO BE SELECTED FOR THIS COLLABORATIVE - WOMEN &amp; INFANTS ENHANCED THE INTEGRATED PROGRAM FOR HIGH-RISK PREGNANCY, A COLLABORATION BETWEEN THE DIVISIONS OF MATERNAL-FETAL MEDICINE AND OBSTETRIC AND CONSULTATIVE MEDICINE, WITH THE INTRODUCTION OF AN OBESITY IN PREGNANCY CLINIC FOR PRENATAL, PREGNANT AND POSTPARTUM WOMEN - THE PRENATAL DIAGNOSIS CENTER, OPERATED THROUGH THE DIVISION OF MATERNAL-FETAL MEDICINE, MOVED INTO A NEW, STATE-OF-THE-ART FACILITY THE STAFF CARES FOR MORE WOMEN WITH HIGH-RISK PREGNANCY THAN ANY OTHER FACILITY IN THE NORTHEAST THE FACILITY OFFERS CERTIFIED GENETIC COUNSELORS, FETAL ULTRASONOGRAPHY, AND MATERNAL-FETAL MEDICINE SPECIALISTS ALL IN ONE LOCATION - THE CENTER FOR REPRODUCTION AND INFERTILITY LAUNCHED A FREE WEEKLY SUPPORT GROUP STAFFED BY THEIR PSYCHIATRIST WHO HELPS COUPLES STRUGGLING WITH INFERTILITY - THE BREAST HEALTH CENTER OPENED THE STATE'S FIRST BREAST TUMOR BANK TO HELP SUPPLY TISSUE AND BLOOD SAMPLES TO RESEARCHERS PROBING THE CAUSES AND DEVELOPMENTAL PATHWAYS OF BREAST CANCER FUNDED BY A GRANT FROM THE KETTERING FOUNDATION, THE BANK HAS A DATABASE THAT COLLECTS SUCH INFORMATION AS A WOMAN'S AGE, TUMOR SIZE, HISTOLOGY, AND RECEPTORS - THE CENTER FOR HEALTH AND WELL-BEING, PART OF THE PROGRAM IN WOMEN'S ONCOLOGY'S INTEGRATIVE CARE PROGRAM, WAS NAMED "BEST WELLNESS CENTER" IN NEWPORT COUNTY BY THE READERS OF NEWPORT LIFE MAGAZINE - THE PROGRAM IN WOMEN'S ONCOLOGY HOSTED A TEAM OF PHYSICIANS FROM HAITI FOR A WEEK-LONG VISIT AS PART OF ONGOING EFFORTS TO SHARE MODERN TECHNIQUES FOR THE CARE OF WOMEN WITH CANCER THE HAITIAN OUTREACH IS A BRANCH OF THE INTERNATIONAL HEALTH CARE FOUNDATION, A PROGRAM FOUNDED TO OVERSEE PHYSICIAN TRIPS TO WORK AND SHARE KNOWLEDGE AND SKILLS WITH PHYSICIANS IN THE DOMINICAN REPUBLIC - THE BREAST HEALTH CENTER WAS THE BACKDROP FOR THE DEBUT OF A NEW EXAMINATION GOWN DESIGNED FOR BREAST CANCER PATIENTS "JANES" WERE DEVELOPED BY A CENTER PATIENT AND WERE MADE AVAILABLE EXCLUSIVELY AT WOMEN &amp; INFANTS AND FOR SALE ON THE INTERNET - WOMEN &amp; INFANTS WELCOMED THE SERVICES OF THE OUTPATIENT PSYCHIATRIC CONSULTATION PROGRAM, THROUGH WHICH CLINICAL PSYCHIATRISTS</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>FROM BUTLER PROVIDE MENTAL HEALTH CONSULTATIONS FOR WOMEN SEEKING ADVANCED TREATMENT FOR GYNECOLOGIC AND BREAST CANCER, UROGYNECOLOGIC DISORDERS AND OBSTETRICAL CONCERNS. TYPICALLY, A SIGNIFICANT PERCENTAGE OF PATIENTS SEEN IN MEDICAL AND SURGICAL OFFICES TODAY SUFFER FROM PSYCHIATRIC PROBLEMS THAT REQUIRE PROFESSIONAL ATTENTION BUT GETTING AN APPOINTMENT FOR AN EVALUATION IN A PSYCHIATRIST'S OFFICE CAN TAKE MONTHS. - THE THIRD SWIM ACROSS AMERICA RHODE ISLAND EVENT WAS A RESOUNDING SUCCESS WITH MORE THAN 325 SWIMMERS RAISING FUNDS FOR ONCOLOGY RESEARCH BEING CONDUCTED BY THE PROGRAM IN WOMEN'S ONCOLOGY RESEARCH HIGHLIGHTS FROM 2012. - WOMEN &amp; INFANTS COMMANDS A REPUTATION AS ONE OF THE LARGEST AND MOST PRESTIGIOUS RESEARCH FACILITIES IN HIGH-RISK AND NORMAL OBSTETRICS, GYNECOLOGY AND NEWBORN PEDIATRICS IN THE NATION AND SECURED APPROXIMATELY \$16 MILLION IN RESEARCH DOLLARS IN FISCAL YEAR 2012, SUPPORTING CUTTING-EDGE RESEARCH INTO SUCH AREAS AS PELVIC FLOOR DISORDERS, OVARIAN CANCER BIOMARKERS, ADOLESCENT PREGNANCY, POSTPARTUM DEPRESSION, COLIC, AND PRENATAL EXPOSURE TO DRUGS AND ALCOHOL. - THROUGH ITS PARTICIPATION IN THE MATERNAL-FETAL MEDICINE UNITS NETWORK, WOMEN &amp; INFANTS WAS NAMED THE LEAD CENTER OF A 14-SITE, \$25 MILLION STUDY OF CYTOMEGALOVIRUS (CMV), THE MOST COMMON INFECTION DURING PREGNANCY. THIS STUDY IS FUNDED BY THE NATIONAL INSTITUTES OF HEALTH'S EUNICE KENNEDY SHRIVER NATIONAL INSTITUTE OF CHILD HEALTH AND HUMAN DEVELOPMENT. PRINCIPAL INVESTIGATOR IS BRENNAN ANDERSON, MD. - WOMEN &amp; INFANTS IS ONE OF JUST EIGHT MEDICAL CENTERS FROM ACROSS THE U.S., AND THE ONLY ONE IN THE NORTHEAST, TO WORK COLLABORATIVELY TO DEVELOP AND PERFORM RESEARCH STUDIES RELATED TO WOMEN WITH PELVIC FLOOR DISORDERS, THROUGH THE NATIONAL INSTITUTES OF HEALTH'S PELVIC FLOOR DISORDERS NETWORK. CO-PRINCIPAL INVESTIGATORS ARE DEBORAH MYERS, MD, AND VIVIAN SUNG, MD. - RESEARCH BY DRS. JACOB CANICK AND GLENN PALOMAKI WAS PUBLISHED IN GENETICS IN MEDICINE ABOUT A NEW DNA-BASED PRENATAL BLOOD TEST THAT CAN STRIKINGLY REDUCE THE NUMBER OF RISKY DIAGNOSTIC PROCEDURES NEEDED TO IDENTIFY A PREGNANCY WITH DOWN SYNDROME. - THE DEPARTMENT OF PEDIATRICS AT WOMEN &amp; INFANTS AND THE WARREN ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY LAST YEAR WAS GRANTED 25 AWARDS TOTALING NEARLY \$8.3 MILLION FROM THE NATIONAL INSTITUTES OF HEALTH, RANKING IT 12TH IN THE NATION FOR THE SECOND CONSECUTIVE YEAR AMONG CHILDREN'S HOSPITALS AND PEDIATRIC DEPARTMENTS OF MEDICAL SCHOOLS. - RESEARCH WAS PUBLISHED IN THE INFANT MENTAL HEALTH JOURNAL THAT SUPPORTS AN INTEGRATED MODEL OF CARE THAT IS FOUND AT THE INFANT BEHAVIOR, CRY AND SLEEP CLINIC AT THE BROWN CENTER FOR THE STUDY OF CHILDREN AT RISK. LEAD AUTHOR ON THE RESEARCH IS AMY SALISBURY, PHD. - UNDERSTANDING THE IMPORTANCE OF EARLY DIAGNOSIS OF AUTISM, RESEARCHERS AT THE BROWN CENTER FOR THE STUDY OF CHILDREN AT RISK, IN COLLABORATION WITH RESEARCHERS AT UNIVERSITY OF PITTSBURGH, HAVE BEEN STUDYING THE CRYACOUSTICS OF SIX-MONTH-OLD INFANTS. THE RESEARCH, LED BY STEPHEN SHEINKOPF, PHD, WAS PUBLISHED IN AUTISM RESEARCH.</p>

Identifier	Return Reference	Explanation
COMMUNITY BENEFIT STATEMENT CONTINUED	CORE FORM, PART III, STATEMENT OF PROGRAM SERVICE ACCOMPLISHMENTS	<p>- RESEARCHERS FROM WOMEN &amp; INFANTS' CENTER FOR BIOMARKERS AND EMERGING TECHNOLOGIES (CBET) DEVELOPED ALGORITHMS MARKETED WORLDWIDE THAT CAN ANALYZE BLOOD PROTEIN LEVELS IN WOMEN AS PREDICTORS THAT A PELVIC MASS IS OR IS NOT OVARIAN CANCER THEIR WORK ADVANCED ONE STEP FURTHER THIS YEAR TO DETERMINE IF THE LEVEL OF ONE OF THOSE PROTEINS FLUCTUATES DURING A WOMAN'S NORMAL MENSTRUAL CYCLE, FURTHER ENABLING DOCTORS TO DIAGNOSE A MASS AS OVARIAN OR ENDOMETRIAL CANCER PRINCIPAL INVESTIGATOR FOR THIS STUDY IS LYNAE BRAYBOY, M.D - VINITA GOYAL, M.D , MPH, PUBLISHED RESEARCH INDICATING THAT ACTIVE-DUTY SERVICEWOMEN HAVE HIGHER RATES OF UNINTENDED PREGNANCY THAN THE GENERAL POPULATION AND LOWER REPORTED CONTRACEPTION USE AS A RESULT, SHE SUGGESTED THE ANSWER MIGHT BE A REVIEW OF THE HEALTHCARE OFFERED TO FEMALES IN THE MILITARY AND VETERANS THE STUDY, "UNINTENDED PREGNANCY AND CONTRACEPTION AMONG ACTIVE-DUTY SERVICEWOMEN AND VETERANS," WAS PUBLISHED IN THE AMERICAN JOURNAL OF OBSTETRICS &amp; GYNECOLOGY AS PART OF HER RESEARCH, CONDUCTED IN COOPERATION WITH THE VETERAN'S ADMINISTRATION (VA) HOSPITAL IN PROVIDENCE, DR GOYAL STUDIED THE REPRODUCTIVE HEALTHCARE AVAILABLE TO AMERICAN MILITARY WOMEN DOMESTICALLY AND ABROAD, RULES IN THE MILITARY THAT MAY PRECLUDE WOMEN FROM SEEKING CONTRACEPTION, AND THE RESULTS OF UNINTENDED PREGNANCY ON THE MILITARY AND THE LIVES OF MILITARY WOMEN WOMEN &amp; INFANTS BELIEVES IN THE COMMUNITY</p> <p>===== - THE HOSPITAL ORGANIZES AN ENTIRE CALENDAR OF COMMUNITY PROGRAMS THAT INCLUDES CLASSES IN CHILDBIRTH, PARENTING, REPRODUCTIVE HEALTH, HUMAN SEXUALITY , BREAST HEALTH AND WOMEN'S HEALTH ACROSS ALL AGES IN ADDITION, THE HOSPITAL IS ENGAGED WITH THE FOLLOWING ORGANIZATIONS IN A VARIETY OF WAYS INCLUDING SUPPORTING COMMUNITY EDUCATION AND AWARENESS PROGRAMS, PROVIDING SPACE FOR MEETINGS OR CONFERENCES, AND PARTICIPATING ON VARIOUS BOARDS AND COMMITTEES WORKING TO IMPROVE THE HEALTH OF THE COMMUNITY ALPERT MEDICAL SCHOOL OF BROWN UNIVERSITY AMERICAN CANCER SOCIETY AMERICAN HEART ASSOCIATION CHILDREN'S FRIEND AND SERVICE CHIPSA DAY ONE E W FLYNN MODEL ELEMENTARY SCHOOL HEALTHY MOTHERS, HEALTHY BABIES KIDSCOUNT MARCH OF DIMES MEETING STREET SCHOOL NATIONAL ASSOCIATION OF SOCIAL WORKERS PARTNERSHIP TO REDUCE CANCER PROGRESSO LATINO PROVIDENCE RONALD MCDONALD HOUSE RHODE ISLAND ASSOCIATION FOR CARDIAC CHILDREN RHODE ISLAND DEPARTMENT OF HEALTH RHODE ISLAND DEPARTMENT OF HEALTH OFFICE OF MINORITY HEALTH RHODE ISLAND DEPARTMENT OF CHILDREN, YOUTH, AND FAMILIES (DCYF) RHODE ISLAND BLOOD CENTER RHODE ISLAND OSTEOPOROSIS COALITION RHODE ISLAND PARENTING INFORMATION NETWORK RHODE ISLAND NETWORK OF CARE FOR BEHAVIORAL HEALTH RHODE ISLAND COUNCIL ON ALCOHOLISM AND OTHER DRUG ADDICTION RHODE ISLAND STATE NURSES ASSOCIATION WOMEN'S HEALTH COUNCIL UNITED WAY URBAN LEAGUE - OUTREACH EDUCATION BENEFITED THE COMMUNITY LAST YEAR THROUGH 24,120 PROGRAMS IN LOCAL SCHOOLS, COMMUNITY CENTERS AND SIMILAR SITES - THE HOSPITAL PROVIDED ALMOST \$27 MILLION LAST YEAR IN UNCOMPENSATED CARE TO WOMEN AND FAMILIES IN NEED - STAFF FROM WOMEN &amp; INFANTS' FAMILY VAN, A MOBILE HEALTH CLINIC, PROVIDES MUCH-NEEDED SERVICES FOR THE UNDERSERVED AND UNDERINSURED ACROSS THE STATE THE PROGRAM OFFERS A TRANSLATION COMMUNICATOR THAT ENABLES STAFF TO COMMUNICATE AND CONVERSE IN 22 LANGUAGES - WOMEN &amp; INFANTS RESEARCHERS AND LATINO PUBLIC RADIO JOINED WITH STATE AND NATIONAL LEADERS TO ADDRESS NOVEL APPROACHES TO IMPROVING HEALTH LITERACY IN 2010 RESULTS OF THE HOSPITAL'S ESCUCHE (EVALUATING THE SPANISH RADIO COMMUNITY'S UNDERSTANDING OF CLINICAL RESEARCH AND HEALTH TOPICS) STUDY, FUNDED BY A NATIONAL INSTITUTES OF HEALTH PARTNERS IN RESEARCH PROGRAM GRANT, REVEALED THAT A HEALTH AND SCIENCE CURRICULUM HELPED IMPROVE LITERACY FOR PARTICIPANTS</p>

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION A, QUESTION 2	CHARLES R REPPUCCI, ESQ AND ROBERT G FLANDERS, JR , ESQ - BUSINESS RELATIONSHIP



Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION A, QUESTION 3	THE ORGANIZATION ENGAGES SODEXO HEALTH CARE ("SODEXO") TO BE AN AGENT OF THE ORGANIZATION AND DELEGATES CONTROL TO SODEXO IN THE MANAGEMENT OF DAILY OPERATIONS OF ITS FOOD & NUTRITION DEPARTMENT. THE SODEXO MANAGEMENT EMPLOYEE FUNCTIONS AND IS RECOGNIZED AS A DEPARTMENT MANAGER WHO PERFORMS IN ACCORDANCE WITH THE ORGANIZATION'S DEPARTMENT MANAGEMENT PRACTICES AND IN ACCORDANCE WITH ITS WRITTEN POLICIES AND PROCEDURES. THE POSITION REPORTS TO AN OFFICER/KEY EMPLOYEE OF THE ORGANIZATION.

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION A, QUESTION 4	THE ORGANIZATION IS AN AFFILIATE IN A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM WHICH HAS AS ITS PARENT CARE NEW ENGLAND HEALTH SYSTEM, AN INTERNAL REVENUE CODE SECTION 501(C)(3) ORGANIZATION EFFECTIVE ON OCTOBER 1, 2011 TO COINCIDE WITH THE BEGINNING OF THIS ORGANIZATION'S FISCAL YEAR CERTAIN ORGANIZATIONAL DOCUMENTS WERE AMENDED, INCLUDING ITS CORPORATE BY-LAWS, TO PROVIDE THAT THE VOTING MEMBERS OF THE BOARD OF DIRECTORS SHALL BE THE VOTING MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM'S BOARD OF DIRECTORS

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION A, QUESTIONS 6 & 7	WOMEN & INFANTS CORPORATION ("WIC") IS THE SOLE MEMBER OF THIS ORGANIZATION CARE NEW ENGLAND HEALTH SYSTEM ("CNE") IS THE SOLE MEMBER OF WIC CNE HAS THE ULTIMATE AUTHORITY TO ELECT THE MEMBERS OF THIS ORGANIZATION'S BOARD OF DIRECTORS AND HAS CERTAIN RESERVED POWERS AS DEFINED IN THIS ORGANIZATION'S BY LAWS

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 11B	<p>THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"), A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. CARE NEW ENGLAND HEALTH SYSTEM IS THE PARENT ENTITY OF THE SYSTEM. THE ORGANIZATION'S FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY (ITS BOARD OF DIRECTORS) PRIOR TO THE FILING WITH THE IRS. IN ADDITION, THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE ALSO PERFORMED A REVIEW OF THE FEDERAL FORM 990 PRIOR TO MAKING IT AVAILABLE TO EACH VOTING MEMBER OF ITS BOARD OF DIRECTORS. THE CARE NEW ENGLAND HEALTH SYSTEM BOARD OF DIRECTORS HAS DELEGATED TO THE FINANCE COMMITTEE THE RESPONSIBILITY TO OVERSEE AND COORDINATE THE FEDERAL FORM 990 PREPARATION AND FILING PROCESS FOR THE TAX-EXEMPT AFFILIATES OF THE SYSTEM. AS PART OF THE ORGANIZATION'S FEDERAL FORM 990 TAX RETURN PREPARATION PROCESS, THE ORGANIZATION HIRED A PROFESSIONAL CPA FIRM WITH EXPERIENCE AND EXPERTISE IN BOTH HEALTHCARE AND NOT-FOR-PROFIT TAX RETURN PREPARATION TO PREPARE THE FEDERAL FORM 990. THE CPA FIRM'S TAX PROFESSIONALS WORKED CLOSELY WITH THE ORGANIZATION'S ASSOCIATE VICE PRESIDENT OF ACCOUNTING AND VARIOUS OTHER INDIVIDUALS TO OBTAIN THE INFORMATION NEEDED IN ORDER TO PREPARE A COMPLETE AND ACCURATE TAX RETURN. THE CPA FIRM PREPARED A DRAFT FEDERAL FORM 990 AND FURNISHED IT TO THE ORGANIZATION'S INTERNAL WORKING GROUP, INCLUDING, BUT NOT LIMITED TO, THE INDIVIDUAL OUTLINED ABOVE, FOR HIS REVIEW. THE ORGANIZATION'S INTERNAL WORKING GROUP AND OTHER INDIVIDUALS REVIEWED THE DRAFT FEDERAL FORM 990 AND DISCUSSED QUESTIONS AND COMMENTS WITH THE CPA FIRM. REVISIONS WERE MADE TO THE DRAFT FEDERAL FORM 990 WHERE NECESSARY, AND A FINAL DRAFT WAS FURNISHED BY THE CPA FIRM TO THE ORGANIZATION'S INTERNAL WORKING GROUP AND VARIOUS OTHER INDIVIDUALS FOR FINAL REVIEW AND APPROVAL PRIOR TO PRESENTATION OF THE FEDERAL FORM 990 TO THE MEMBERS OF THE CARE NEW ENGLAND HEALTH SYSTEM FINANCE COMMITTEE. FOLLOWING THE FINANCE COMMITTEE'S REVIEW, THE FINAL FEDERAL FORM 990 WAS PROVIDED TO EACH VOTING MEMBER OF THE ORGANIZATION'S GOVERNING BODY PRIOR TO THE FILING WITH THE IRS.</p>

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 12	THE ORGANIZATION HAS A WRITTEN CONFLICT OF INTEREST POLICY AND REGULARLY MONITORS AND ENFORCES COMPLIANCE WITH THAT POLICY. THE POLICY REQUIRES THAT A CONFLICT OF INTEREST DISCLOSURE FORM CONSISTENT WITH BEST GOVERNANCE PRACTICES AND INTERNAL REVENUE SERVICE GUIDELINES BE CIRCULATED TO OFFICERS, DIRECTORS, AND KEY EMPLOYEES ANNUALLY. IF A DIRECTOR DISCLOSES AN INTEREST THAT COULD GIVE RISE TO A CONFLICT, THE DIRECTOR'S POTENTIAL CONFLICT IS REFERRED TO THE BOARD OR THE COMMITTEE, WHICH EVALUATES THE CONFLICT AND ITS POTENTIAL IMPACT ON THE DIRECTOR'S PARTICIPATION ON THE BOARD OR ON CERTAIN ISSUES THAT MAY COME BEFORE THE BOARD. AFTER CONSULTATION WITH COUNSEL, THE COMMITTEE WILL TAKE ACTION, IF APPROPRIATE AND NECESSARY, TO ADDRESS ANY SUCH CONFLICT IN A MANNER CONSISTENT WITH THE ORGANIZATION'S CONFLICT OF INTEREST POLICY.

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION B, QUESTION 15	<p>THE BOARD OF DIRECTORS OF CARE NEW ENGLAND HEALTH SYSTEM ("CNE") HAS A COMMITTEE OF DIRECTORS KNOWN AS THE CNE COMPENSATION COMMITTEE ("THE COMMITTEE") THE COMMITTEE IS RESPONSIBLE FOR DISCHARGING THE BOARD'S RESPONSIBILITIES REGARDING THE TOTAL COMPENSATION PROGRAM FOR EXECUTIVES AND KEY PHYSICIANS IN CONJUNCTION WITH THE WITH PRESIDENT AND CHIEF EXECUTIVE OFFICER THE COMMITTEE AT ALL TIMES CONDUCTS ITSELF FREE FROM EXECUTIVE MANAGEMENT IN ITS DECISION MAKING PROCESS EXCEPT WITH RESPECT TO DECISIONS RELATING TO THE PRESIDENT AND CHIEF EXECUTIVE OFFICER WHICH ARE MADE IN CONJUNCTION WITH THE CARE NEW ENGLAND HEALTH SYSTEM CHIEF EXECUTIVE OFFICER THE ACTIONS TAKEN BY THE COMMITTEE ENABLE THE ORGANIZATION TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS FOR PURPOSES OF INTERNAL REVENUE CODE SECTION 4958 WITH RESPECT TO THE TOTAL COMPENSATION OF CERTAIN MEMBERS OF THE SENIOR MANAGEMENT TEAM, INCLUDING THE PRESIDENT/CHIEF EXECUTIVE OFFICER THE THREE FACTORS WHICH MUST BE SATISFIED IN ORDER TO RECEIVE THE REBUTTABLE PRESUMPTION OF REASONABLENESS ARE THE FOLLOWING 1 THE COMPENSATION ARRANGEMENT IS APPROVED IN ADVANCE BY AN "AUTHORIZED BODY" OF THE APPLICABLE TAX-EXEMPT ORGANIZATION WHICH IS COMPOSED ENTIRELY OF INDIVIDUALS WHO DO NOT HAVE A "CONFLICT OF INTEREST" WITH RESPECT TO THE COMPENSATION ARRANGEMENT, 2 THE AUTHORIZED BODY OBTAINED AND RELIED UPON "APPROPRIATE DATA AS TO COMPARABILITY" PRIOR TO MAKING ITS DETERMINATION, AND 3 THE AUTHORIZED BODY "ADEQUATELY DOCUMENTED THE BASIS FOR ITS DETERMINATION" CONCURRENTLY WITH MAKING THAT DETERMINATION THE COMMITTEE IS COMPRISED OF MEMBERS OF THE BOARD OF DIRECTORS, EACH OF WHOM ARE INDEPENDENT AND ARE FREE FROM ANY CONFLICTS OF INTEREST THE COMMITTEE RELIED UPON APPROPRIATE COMPARABLE DATA, SPECIFICALLY THE COMMITTEE OBTAINED A WRITTEN COMPENSATION STUDY FROM AN INDEPENDENT FIRM WHICH SPECIALIZES IN THE REVIEWING OF HOSPITAL AND HEALTHCARE SYSTEM EXECUTIVE COMPENSATION AND BENEFITS THROUGHOUT THE UNITED STATES THIS STUDY USED COMPARABLE GEOGRAPHIC AND DEMOGRAPHIC MARKET DATA INCLUDING BUT NOT LIMITED TO SIMILARLY SIZED HEALTHCARE SYSTEMS AND HOSPITALS, # OF LICENSED BEDS AND NET PATIENT SERVICE REVENUE THE COMMITTEE ADEQUATELY DOCUMENTED ITS BASIS FOR ITS DETERMINATION THROUGH THE TIMELY PREPARATION OF WRITTEN MINUTES OF THE COMPENSATION COMMITTEE MEETINGS DURING WHICH THE EXECUTIVE COMPENSATION AND BENEFITS WAS REVIEWED AND SUBSEQUENTLY APPROVED THE ACTIONS OUTLINED ABOVE WITH RESPECT TO THE COMMITTEE AND THE ESTABLISHMENT OF THE REBUTTABLE PRESUMPTION OF REASONABLENESS APPLIES TO CERTAIN SENIOR MANAGEMENT PERSONNEL, INCLUDING, BUT NOT LIMITED TO, THE PRESIDENT/CHIEF EXECUTIVE OFFICER THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE ALSO REVIEWED BY THE CARE NEW ENGLAND HEALTH SYSTEM COMPENSATION COMMITTEE IN ADDITION, THE COMPENSATION AND BENEFITS OF CERTAIN OTHER INDIVIDUALS CONTAINED IN THIS FORM 990 ARE REVIEWED ANNUALLY BY THE WOMEN &amp; INFANTS HOSPITAL OF RHODE ISLAND PRESIDENT/CHIEF EXECUTIVE OFFICER WITH ASSISTANCE FROM THE ORGANIZATION'S HUMAN RESOURCES DEPARTMENT IN CONJUNCTION WITH THE INDIVIDUAL'S JOB PERFORMANCE DURING THE YEAR AND IS BASED UPON OTHER OBJECTIVE FACTORS DESIGNED TO ENSURE THAT REASONABLE AND FAIR MARKET VALUE COMPENSATION IS PAID BY THE ORGANIZATION OTHER OBJECTIVE FACTORS INCLUDE MARKET SURVEY DATA FOR COMPARABLE POSITIONS, INDIVIDUAL GOALS AND OBJECTIVES, PERSONNEL REVIEWS, EVALUATIONS, SELF-EVALUATIONS AND PERFORMANCE FEEDBACK MEETINGS</p>

Identifier	Return Reference	Explanation
DISCLOSURE INFORMATION	CORE FORM, PART VI, SECTION C, QUESTION 19	THE ORGANIZATION HAS BEEN ALLOCATED A PORTION OF TAX-EXEMPT BONDS (THROUGH ITS TAX-EXEMPT PARENT CARE NEW ENGLAND HEALTH SYSTEM) TO FINANCE VARIOUS CAPITAL IMPROVEMENT PROJECTS, RENOVATIONS AND EQUIPMENT THE ORGANIZATION HAS REFLECTED THIS AMOUNT AS A DUE TO AFFILIATE LIABILITY ON ITS BALANCE SHEET IN CONJUNCTION WITH THE ISSUANCE OF THESE TAX-EXEMPT BONDS, THE SYSTEM'S FINANCIAL STATEMENTS WERE INCLUDED WITH THE TAX-EXEMPT BOND PROSPECTUS WHICH WAS MADE AVAILABLE TO THE GENERAL PUBLIC FOR REVIEW IN ADDITION, THE ORGANIZATION'S FILED CERTIFICATE OF INCORPORATION AND ANY AMENDMENTS CAN BE OBTAINED AND REVIEWED THROUGH THE STATE OF RHODE ISLAND SECRETARY OF STATE

Identifier	Return Reference	Explanation
COMPENSATION INFORMATION DISCLOSURE	CORE FORM, PART VII AND SCHEDULE J	PART VII AND SCHEDULE J REFLECT CERTAIN BOARD MEMBERS AND OFFICERS RECEIVING COMPENSATION AND BENEFITS FROM THIS ORGANIZATION OR A RELATED ORGANIZATION PLEASE NOTE THIS REMUNERATION WAS FOR SERVICES RENDERED AS FULL-TIME AND PART-TIME EMPLOYEES OR INDEPENDENT CONTRACTORS OF THE ORGANIZATION OR A RELATED ORGANIZATION AND NOT FOR SERVICES RENDERED AS A VOTING MEMBER OR OFFICER OF THIS ORGANIZATION'S BOARD OF DIRECTORS IN ADDITION, CERTAIN INDIVIDUALS NOT INCLUDED IN THIS FORM 990 RECEIVED A FORM W-2 FROM THIS ORGANIZATION AND ARE REPORTED ON THE FORM 990 OF CARE NEW ENGLAND HEALTH SYSTEM, THE INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT PARENT OF THE SYSTEM BECAUSE THEY SERVE ON A FULL-TIME BASIS WORKING ON CARE NEW ENGLAND HEALTH SYSTEM MATTERS AND ARE NOT OFFICERS, DIRECTORS, KEY EMPLOYEES OR THE NEXT FIVE HIGHEST PAID EMPLOYEES OF THIS ORGANIZATION IN ADDITION, CERTAIN INDIVIDUALS ARE REPORTED ON THIS FORM 990 AND RECEIVE A FORM W-2 FROM THIS ORGANIZATION HOWEVER, THEY ALSO WORK ON A FULL TIME BASIS FOR CARE NEW ENGLAND HEALTH SYSTEM AND ARE ALSO INCLUDED ON THAT RESPECTIVE FORM 990 ANNUALLY ACCORDINGLY, JOHN M SUTHERLAND, III, GAIL COSTA, THOMAS R COURAGE, ESQ AND MAY BELLE KERNAN ARE EACH SHOWN WORKING ONE AND 55 HOURS PER WEEK ON THIS FORM 990 AND THE CARE NEW ENGLAND HEALTH SYSTEM FORM 990, RESPECTIVELY



Identifier	Return Reference	Explanation
RELATED HOURS DISCLOSURE	CORE FORM, PART VII, SECTION A, COLUMN B	THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES ("SYSTEM"), A TAX-EXEMPT INTEGRATED HEALTHCARE DELIVERY SYSTEM. THE SYSTEM INCLUDES BOTH FOR-PROFIT AND NOT FOR-PROFIT ORGANIZATIONS. CERTAIN BOARD OF DIRECTOR MEMBERS, OFFICERS AND/OR DIRECTORS LISTED ON CORE FORM, PART VII AND SCHEDULE J OF THIS FORM 990 MAY HOLD SIMILAR POSITIONS WITH BOTH THIS ORGANIZATION AND OTHER AFFILIATES WITHIN THE SYSTEM. THE HOURS SHOWN ON THIS FORM 990 FOR BOARD MEMBERS WHO RECEIVE NO COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, REPRESENTS THE ESTIMATED HOURS DEVOTED PER WEEK FOR THIS ORGANIZATION. TO THE EXTENT THESE INDIVIDUALS SERVE AS A MEMBER OF THE BOARD OF DIRECTORS OF OTHER RELATED ORGANIZATIONS IN THE SYSTEM, THEIR RESPECTIVE HOURS PER WEEK PER ORGANIZATION ARE APPROXIMATELY ONE HOUR. THE HOURS REFLECTED ON PART VII OF THIS FORM 990, FOR BOARD MEMBERS WHO RECEIVE COMPENSATION FOR SERVICES RENDERED IN A NON-BOARD CAPACITY, PAID OFFICERS AND KEY EMPLOYEES, REFLECT TOTAL HOURS WORKED PER WEEK ON BEHALF OF THE SYSTEM, NOT SOLELY THIS ORGANIZATION.

Identifier	Return Reference	Explanation
OTHER CHANGES IN FUND BALANCE	CORE FORM, PART XI, LINE 5	OTHER CHANGES IN FUND BALANCE INCLUDE: NONOPERATING EXPENDITURES, (\$883,580), CHANGE IN NET UNREALIZED GAINS ON TRADING SECURITIES, \$497,363, PENSION AND POST RETIREMENT ADJUSTMENT, (\$170,517), NET ASSETS RELEASED FROM RESTRICTIONS AND USED FOR PROPERTY AND EQUIPMENT PURCHASES, \$942,049, TRANSFERS TO RELATED INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT ORGANIZATIONS, \$2,526,000, TEMPORARILY RESTRICTED NET UNREALIZED GAINS FROM INVESTMENTS, \$925,615, AND NET ASSETS RELEASED FROM RESTRICTION, (\$2,540,426)

Identifier	Return Reference	Explanation
AUDITED FINANCIAL STATEMENTS	CORE FORM, PART XII, QUESTION 2	THIS ORGANIZATION IS AN AFFILIATE OF CARE NEW ENGLAND HEALTH SYSTEM AND AFFILIATES, A TAX-EXEMPT, INTEGRATED HEALTHCARE DELIVERY SYSTEM ("SYSTEM") THE SYSTEM'S PARENT ENTITY IS CARE NEW ENGLAND HEALTH SYSTEM AN INDEPENDENT BIG FOUR CPA FIRM AUDITED THE CONSOLIDATED FINANCIAL STATEMENTS OF CARE NEW ENGLAND HEALTH SYSTEM AND ALL ENTITIES WITHIN THE SYSTEM FOR THE YEARS ENDED SEPTEMBER 30, 2012 AND SEPTEMBER 30, 2011, RESPECTIVELY AND ISSUED A CONSOLIDATED FINANCIAL STATEMENT WITH CONSOLIDATING SCHEDULES BY ENTITY AN UNQUALIFIED OPINION WAS ISSUED EACH YEAR BY THE INDEPENDENT CPA FIRM CARE NEW ENGLAND HEALTH SYSTEM'S AUDIT COMMITTEE ASSUMES RESPONSIBILITY FOR OVERSIGHT OF THE AUDIT OF THE SYSTEM'S CONSOLIDATED FINANCIAL STATEMENTS AND THE SELECTION OF AN INDEPENDENT AUDITOR

Identifier	Return Reference	Explanation
FINANCIAL STATEMENTS AND REPORTING	CORE FORM, PART XII, QUESTION 3	THE ORGANIZATION IS AN AFFILIATE IN THE CARE NEW ENGLAND HEALTH SY STEM AND AFFILIATES ("SY STEM') THE SY STEM ENGAGES AN INDEPENDENT ACCOUNTING FIRM TO PREPARE AND ISSUE A SY STEM WIDE CONSOLIDATED A-133 AUDIT THIS ORGANIZATION WAS INCLUDED IN THE SY STEM WIDE A-133 AUDIT

SCHEDULE R  
(Form 990)

Department of the Treasury  
Internal Revenue Service

Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.

OMB No 1545-0047

2011

Open to Public Inspection

Name of the organization  
WOMEN & INFANTS HOSPITAL OF RI

Employer identification number  
05-0258937

Part I

Identification of Disregarded Entities (Complete if the organization answered "Yes" on Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) W & I ANCILLARY SERVICES LLC 300 RICHMOND STREET PROVIDENCE, RI 02903 20-0222992	HEALTHCARE	RI	0	0	WIHRI
(2) W & I HEALTH CARE ALLIANCE LLC 300 RICHMOND STREET PROVIDENCE, RI 02903 45-2676488	HEALTHCARE	RI	0	0	WIHRI

Part II

Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled organization	
						Yes	No
See Additional Data Table							

Part III

Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512- 514)	(f) Share of total income	(g) Share of end-of- year assets	(h) Disproportionate allocations?		(i) Code V—UBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	

Part IV

Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" on Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership
(1) TOLL GATE INDEMNITY LTD 23 LIME TREE BAY AVE PO BOX 1051 GRAND CAYMAN KY1-11 CJ 34-2028514	FINANCIAL VEHICLE	CJ	N/A	C CORP			
(2) W & I INDEMNITY LTD 23 LIME TREE AVE PO BOX 1051 GRAND CAYMAN KY1-11 CJ 98-0159342	FINANCIAL VEHICLE	CJ	WIH	C CORP	27,533,135	110,902,628	100 000 %

Part V

Transactions With Related Organizations (Complete if the organization answered "Yes" on Form 990, Part IV, line 34, 35, 35A, or 36.)

Note. Complete line 1 if any entity is listed in Parts II, III or IV

1

During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

a

Receipt of (i) interest (ii) annuities (iii) royalties (iv) rent from a controlled entity

b

Gift, grant, or capital contribution to related organization(s)

c

Gift, grant, or capital contribution from related organization(s)

d

Loans or loan guarantees to or for related organization(s)

e

Loans or loan guarantees by related organization(s)

f

Sale of assets to related organization(s)

g

Purchase of assets from related organization(s)

h

Exchange of assets with related organization(s)

i

Lease of facilities, equipment, or other assets to related organization(s)

j

Lease of facilities, equipment, or other assets from related organization(s)

k

Performance of services or membership or fundraising solicitations for related organization(s)

l

Performance of services or membership or fundraising solicitations by related organization(s)

m

Sharing of facilities, equipment, mailing lists, or other assets with related organization(s)

n

Sharing of paid employees with related organization(s)

o

Reimbursement paid to related organization(s) for expenses

p

Reimbursement paid by related organization(s) for expenses

q

Other transfer of cash or property to related organization(s)

r

Other transfer of cash or property from related organization(s)

Yes

No

1a

1b

1c

1d

1e

1f

1g

1h

1i

1j

1k

1l

1m

1n

1o

1p

1q

1r

No

No

Yes

Yes

Yes

No

No

No

No

Yes

Yes

Yes

Yes

Yes

Yes

Yes

No

No

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds

(a) Name of other organization	(b) Transaction type(a-r)	(c) Amount involved	(d) Method of determining amount involved
(1) WIH FACULTY PHYSICIANS INC	E, O	2,325,561	COST
(2)			
(3)			
(4)			
(5)			
(6)			

Schedule R (Form 990) 2011

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

[illegible]



Part VII

Supplemental Information

Complete this part to provide additional information for responses to questions on Schedule R (see instructions)

Identifier	Return Reference	Explanation
TRANSACTIONS WITH RELATED ORGANIZATIONS	SCHEDULE R, PART V	AS OUTLINED IN SCHEDULE O, CARE NEW ENGLAND HEALTH SYSTEM IS THE TAX-EXEMPT PARENT OF AN INTEGRATED HEALTHCARE DELIVERY SYSTEM. THIS ORGANIZATION IS RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) ORGANIZATION. THE SYSTEM ALSO INCLUDES BUTLER HOSPITAL, KENT COUNTY MEMORIAL HOSPITAL AND WOMEN & INFANTS HOSPITAL OF RHODE ISLAND, EACH IS ALSO RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS AN INTERNAL REVENUE CODE SECTION 501(C)(3) TAX-EXEMPT HOSPITAL. THIS ORGANIZATION ROUTINELY PAYS EXPENSES FOR VARIOUS AFFILIATES WITHIN THE CARE NEW ENGLAND HEALTH SYSTEM IN THE ORDINARY COURSE OF BUSINESS. THESE RELATED PARTY TRANSACTIONS ARE RECORDED ON THE REVENUE/EXPENSE AND BALANCE SHEET STATEMENTS OF THIS ORGANIZATION AND ITS AFFILIATES. THESE ENTITIES WORK TOGETHER TO DELIVER HIGH QUALITY HEALTHCARE AND WELLNESS SERVICES TO THE COMMUNITIES IN WHICH THEY ARE SITUATED.

Software ID:

Software Version:

EIN: 05-0258937

Name: WOMEN & INFANTS HOSPITAL OF RI

Form 990, Schedule R, Part II - Identification of Related Tax-Exempt Organizations

(a) Name, address, and EIN of related organization	(b) Primary Activity	(c) Legal Domicile (State or Foreign Country)	(d) Exempt Code section	(e) Public charity status (if 501(c)(3))	(f) Direct Controlling Entity	(g) Section 512 (b)(13) controlled organization	
CARE NEW ENGLAND HEALTH SYSTEM  45 WILLARD AVENUE PROVIDENCE, RI 02905 05-0490997	HEALTHCARE	RI	501(C) (3)	509(A)(3)	NA		No
BUTLER HOSPITAL  345 BLACKSTONE BLVD PROVIDENCE, RI 02906 05-0258812	HEALTHCARE	RI	501(C) (3)	HOSPITAL	CNE		No
WOMEN AND INFANTS CORPORATION  300 RICHMOND STREET PROVIDENCE, RI 02903 02-2885807	HEALTHCARE	RI	501(C) (3)	509(A)(3)	CNE		No
WOMEN AND INFANTS DEVELOPMENT FOUNDATION  300 RICHMOND STREET PROVIDENCE, RI 02903 22-2885815	HEALTHCARE	RI	501(C) (3)	509(A)(3)	WIC		No
PALOMAR GROUP INC  300 RICHMOND STREET PROVIDENCE, RI 02903 05-0462378	PARKING FAC	RI	501(C) (3)	509(A)(2)	WIC		No
WIH FACULTY PHYSICIANS INC  67 BRIGHAM STREET NEW BEDFORD, MA 02740 04-3579432	HEALTHCARE	MA	501(C) (3)	509(A)(2)	WIH	Yes	
KENT COUNTY MEMORIAL HOSPITAL  455 TOLL GATE ROAD WARWICK, RI 02886 05-0258896	HEALTHCARE	RI	501(C) (3)	HOSPITAL	CNE		No
KENT HOSPITAL FOUNDATION  455 TOLL GATE ROAD WARWICK, RI 02886 05-0514640	SUPPORT ORG	RI	501(C) (3)	509(A)(3)	KCMH		No
KENT COUNTY VNA DBA VNA OF CNE  51 HEALTH LANE WARWICK, RI 02886 05-0242659	HEALTHCARE	RI	501(C) (3)	170B1AIII	CNE		No
HEALTHTOUCH INC  51 HEALTH LANE WARWICK, RI 02886 05-0514949	HEALTHCARE	RI	501(C) (3)	509(A)(2)	KCVNA		No
BUTLER HOSPITAL FOUNDATION  345 BLACKSTONE BOULEVARD PROVIDENCE, RI 02906 45-4530540	SUPPORT ORG	RI	501(C) (3)	509(A)(3)	BH	Yes	

# TY 2011 Earnings and Profits Other Adjustments Statement

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

Description	Amount
LOSS & IOSS ADJUSTMENT EXPENSE INCURRED	13,561,435

## TY 2011 Earnings and Profits Other Adjustments Statement

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

Description	Amount
UNREALIZED GAINS ON INVESTMENT	6,810,100
PREMIUMS EARNED	16,025,172

TY 2011 Itemized Other Current Liabilities Schedule

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

Corporation Name	Corporation EIN	Description	Beginning Amount	Ending Amount
		UNEARNED PREMIUMS	5,113,338	5,051,577

**TY 2011 Itemized Other Current Assets  
Schedule****Name:** WOMEN & INFANTS HOSPITAL OF RI**EIN:** 05-0258937

Corporation Name	Corporation EIN	Other Current Assets Description	Beginning Amount	Ending Amount
		PREMIUM RECEIVABLE	8,569,001	14,325,687
		ACRRUED INTEREST RECEIVABLE	12,226	8,709
		PREPAID EXPENSES	17,863	3,524

## TY 2011 Other Deductions Schedule

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

Description	Foreign Amount (should only be used when attached to 5471 Schedule C Line 16)	Amount
GENERAL & ADMINISTRATIVE EXPENSES		1,859,045
LOSSES PAID & LOSS EXPENSES		7,583,075
CHANGE IN RESERVES - LOSS & ADJ EXP		5,978,360

**TY 2011 Itemized Other Investments Schedule**

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

Corporation Name	Corporation EIN	Other Investments Description	Beginning Amount	Ending Amount
		MARKETABLE SECURITIES	83,852,974	96,197,064



TY 2011 Itemized Other Liabilities Schedule

**Name:** WOMEN & INFANTS HOSPITAL OF RI

**EIN:** 05-0258937

TY 2011 Itemized Other Liabilities Schedule

Corporation Name	Corporation EIN	Other Liabilities Description	Beginning Amount	Ending Amount
		LOSSES PAYABLE	397,917	
		OUTSTANDING LOSS RESERVES & IBNR	59,355,454	65,333,814

**TY 2011 Other Income Statement****Name:** WOMEN & INFANTS HOSPITAL OF RI**EIN:** 05-0258937

Description	Foreign Amount	Amount
REALIZED GAIN ON INVESTMENTS		4,497,698
UNREALIZED GAINS ON INVESTMENTS		6,810,100

# **Care New England Health System and Affiliates**

**Consolidated Financial Statements with  
Supplementary Consolidating Information  
September 30, 2012 and 2011**

# Care New England Health System and Affiliates

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September 30, 2012 and 2011

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## Report of Independent Auditors

To the Board of Directors  
Care New England Health System

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of operations, changes in net assets and cash flows present fairly, in all material respects, the financial position of Care New England Health System and Affiliates ("Care New England") at September 30, 2012 and 2011, and the consolidated results of their operations, changes in their net assets and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Care New England's management, our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves and other additional procedures, in accordance with auditing standards generally accepted in the United States of America. In our opinion, the consolidating information is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual affiliates and is not a required part of the consolidated financial statements. Accordingly, we do not express an opinion on the financial position, results of operations and cash flows of the individual affiliates.

*PricewaterhouseCoopers LLP*

December 21, 2012

**Care New England Health System and Affiliates**  
**Consolidated Balance Sheets**  
**September 30, 2012 and 2011**

	2012	2011
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 62,834,427	\$ 42,228,189
Investments	25,919,112	30,538,218
Patient accounts receivable, net of allowance for doubtful accounts of \$35,233,907 in 2012 and \$32,567,214 in 2011	96,684,946	95,824,246
Other receivables	21,659,231	19,185,236
Pledges receivable, net	1,877,826	1,660,823
Other current assets	11,432,320	9,490,236
Current portion of assets whose use is limited	2,519,851	4,080,531
Total current assets	222,927,713	203,007,479
Assets whose use is limited or restricted as to use		
Endowment funds	39,510,908	34,993,047
Board-designated funds	91,001,215	80,223,173
Trustee-held funds	170,207,820	160,618,076
Deferred compensation funds	4,208,411	4,351,646
Total assets limited as to use	304,928,354	280,185,942
Less Amounts required to meet current obligations	(2,519,851)	(4,080,531)
Noncurrent assets limited as to use	302,408,503	276,105,411
Property, plant and equipment, net	249,787,289	250,795,543
Pledges receivable, net	2,654,887	2,963,287
Investments	4,175,157	6,595,191
Other assets	1,855,152	1,979,554
Total assets	\$ 783,808,701	\$ 741,446,465
<b>Liabilities and Net Assets</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 91,880,970	\$ 93,895,217
Current portion of estimated third-party payor settlements and advances	10,809,417	14,509,100
Current portion of long-term debt and capital leases	6,393,013	5,913,883
Pension liability	12,138,551	11,378,200
Other current liabilities	9,682,603	8,319,173
Total current liabilities	130,904,554	134,015,573
Long-term liabilities		
Self-insurance reserves	125,931,253	117,916,536
Long-term portion of estimated third-party payor settlements and advances	24,620,668	19,656,544
Long-term debt and capital leases	108,377,894	105,966,325
Pension liability	57,191,703	54,526,947
Postretirement liability	1,788,923	1,973,659
Interest rate swaps	13,629,389	11,356,534
Other liabilities	8,791,458	7,456,846
Total long-term liabilities	340,331,288	318,853,391
Net assets		
Unrestricted	259,188,721	244,071,577
Temporarily restricted	34,041,338	26,369,596
Permanently restricted	19,342,800	18,136,328
Total net assets	312,572,859	288,577,501
Total liabilities and net assets	\$ 783,808,701	\$ 741,446,465

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidated Statements of Operations**  
**Years Ended September 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Revenues and gains</b>		
Patient service revenue (net of contractual allowances and discounts)	\$ 804,558,084	\$ 755,046,092
Provision for bad debts	<u>(42,706,347)</u>	<u>(31,931,088)</u>
Net patient service revenue less provision for bad debts	761,851,737	723,115,004
Net assets released from restrictions and used for operations	2,579,956	2,995,386
Research revenue	26,695,762	28,456,839
Other revenue	<u>55,025,887</u>	<u>54,588,515</u>
Total revenues and gains	<u>846,153,342</u>	<u>809,155,744</u>
<b>Operating expenses</b>		
Salaries and benefits	551,985,701	526,523,654
Supplies and other expenses	163,501,746	150,237,859
Research expenses	26,516,062	28,599,517
Depreciation and amortization	27,463,883	27,521,712
Insurance	30,434,400	29,603,122
Licensure fee	31,835,264	30,712,398
Interest	<u>3,604,940</u>	<u>3,741,400</u>
Total operating expenses	<u>835,341,996</u>	<u>796,939,662</u>
Income from operations	<u>10,811,346</u>	<u>12,216,082</u>
<b>Nonoperating gains (losses)</b>		
Investment income on assets limited as to use	3,973,173	3,246,158
Unrestricted gifts and bequests	544,936	645,990
Change in fair value of interest rate swaps	(2,272,855)	(1,539,686)
Change in net unrealized gains (losses) on investments	13,239,205	(12,679,303)
Nonoperating expenditures	<u>(2,106,586)</u>	<u>(1,886,229)</u>
Net nonoperating gains (losses)	<u>13,377,873</u>	<u>(12,213,070)</u>
Excess of revenues and gains over expenses and losses	24,189,219	3,012
<b>Other changes in unrestricted net assets</b>		
Pension and postretirement adjustment	(11,125,426)	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	2,033,732	3,419,281
Transfer from (to) deferred revenue	<u>19,619</u>	<u>(2,641,640)</u>
Increase in unrestricted net assets	<u>\$ 15,117,144</u>	<u>\$ (18,574,806)</u>

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidated Statements of Changes in Net Assets**  
**Years Ended September 30, 2012 and 2011**

	<b>2012</b>	<b>2011</b>
<b>Unrestricted net assets</b>		
Excess of revenues and gains over expenses and losses	\$ 24,189,219	\$ 3,012
Other changes in unrestricted net assets		
Pension and postretirement adjustment	(11,125,426)	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	2,033,732	3,419,281
Transfer to deferred revenue	19,619	(2,641,640)
Increase in unrestricted net assets	<u>15,117,144</u>	<u>(18,574,806)</u>
<b>Temporarily restricted net assets</b>		
Contributions	8,110,785	7,114,804
Income from investments	1,026,932	908,944
Net realized and unrealized gains (losses) from investments	3,147,713	(1,344,487)
Net assets released from restrictions	(4,613,688)	(6,414,667)
Increase (decrease) in temporarily restricted net assets	<u>7,671,742</u>	<u>264,594</u>
<b>Permanently restricted net assets</b>		
Net realized and unrealized gains (losses) from investments	1,142,497	(499,422)
Contributions	63,975	104,080
Increase (decrease) in permanently restricted net assets	<u>1,206,472</u>	<u>(395,342)</u>
Increase (decrease) in net assets	23,995,358	(18,705,554)
<b>Net assets</b>		
Beginning of year	<u>288,577,501</u>	<u>307,283,055</u>
End of year	<u>\$ 312,572,859</u>	<u>\$ 288,577,501</u>

The accompanying notes are an integral part of these financial statements



**Care New England Health System and Affiliates**  
**Consolidated Statements of Cash Flows**  
**Years Ended September 30, 2012 and 2011**

	2012	2011
<b>Operating activities</b>		
Change in net assets	\$ 23,995,358	\$ (18,705,554)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Pension and postretirement adjustment	11,125,426	19,355,459
Depreciation and amortization	27,463,883	27,521,712
Gain on early extinguishment of debt	(202,223)	-
Provision for bad debt	42,706,347	31,931,088
Change in fair value of interest rate swaps	2,272,855	1,539,686
Income and gains on assets limited as to use	(3,973,173)	(3,246,158)
Net unrealized (gains) losses on investments	(13,239,205)	12,679,303
Restricted contributions and investment income	(898,987)	395,342
Changes in		
Patient accounts receivable	(43,567,047)	(46,723,599)
Investments	13,197,771	(42,982,013)
Other current and long-term assets	(4,200,280)	(9,216,025)
Accounts payable and accrued expenses	(2,014,247)	(6,072,292)
Estimated third-party payor settlements	1,264,441	(1,737,164)
Deferred revenue and other liabilities	2,698,042	1,325,516
Net pension liability	(7,885,055)	(3,740,625)
Self-insurance reserves	8,014,717	13,778,976
Net cash provided by (used in) operating activities	<u>56,758,623</u>	<u>(23,896,348)</u>
<b>Investing activities</b>		
Purchase of property and equipment	(26,455,629)	(25,089,952)
Purchase of investments	(114,702,347)	(115,355,519)
Proceeds from the sale of investments	<u>101,013,682</u>	<u>108,193,744</u>
Net cash used in investing activities	<u>(40,144,294)</u>	<u>(32,251,727)</u>
<b>Financing activities</b>		
Proceeds from long-term debt and capital leases	10,000,000	28,000,000
Payments on long-term debt and capital leases	(6,907,078)	(8,136,099)
Restricted contributions to be used for long-term investments and investment income	<u>898,987</u>	<u>(395,342)</u>
Net cash provided by financing activities	<u>3,991,909</u>	<u>19,468,559</u>
Net increase (decrease) in cash and cash equivalents	20,606,238	(36,679,516)
<b>Cash and cash equivalents</b>		
Beginning of year	<u>42,228,189</u>	<u>78,907,705</u>
End of year	<u>\$ 62,834,427</u>	<u>\$ 42,228,189</u>
<b>Supplemental disclosures of cash flow information</b>		
Cash paid for interest	\$ 4,047,720	\$ 3,866,428

The accompanying notes are an integral part of these financial statements

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### 1. Description of Organization

##### Corporate Structure

Care New England Health System (“CNE”, “Care New England”, or the “Health System”), a not-for-profit corporation, was established in February 1996 as the holding company for the development of an integrated delivery network which consists of Butler Hospital, Kent County Memorial Hospital, and Women & Infants Hospital of Rhode Island (collectively, the “Hospitals”), and the Kent County Visiting Nurse Association, d/b/a VNA of Care New England (the “Agency”)

The accompanying consolidated financial statements include the accounts of Care New England and its affiliates, over which Care New England has corporate governance

- Butler Hospital (“Butler”) and its affiliates, Carriage House, LLC (“Carriage”), and Butler Hospital Allied Medical Services, LLC
- Kent County Memorial Hospital (“Kent”) and its affiliates, Kent Hospital Foundation, Kent Ancillary Services, LLC, Affinity Physicians, LLC, and Toll Gate Indemnity, Ltd (“Toll Gate”)
- Women & Infants Corporation (“WIC”) and its affiliates, Women & Infants Development Foundation, Palomar Group, Inc (“Palomar”), Women & Infants Hospital of Rhode Island (“WIH”), WIH Faculty Physicians, Inc, Women & Infants Ancillary Services, LLC, Women & Infants Health Care Alliance, LLC, and W&I Indemnity, Ltd (“W&I Indemnity”)
- Kent County Visiting Nurse Association and its affiliate, Healthtouch, Inc (together, the “Agency”)
- Care New England Wellness Centers, LLC

Intercompany accounts have been eliminated in consolidation

##### Mission and Nature of Business

Care New England is dedicated to building an exemplary health care system. Care New England supports the three Hospitals, the Agency, and other affiliated organizations

The mission of Butler Hospital is to provide treatment of psychiatric illness in an atmosphere of dignity and respect, and to contribute to knowledge through education and research, while continuously improving the ways Butler serves its patients and the community. Butler is a 117-bed, not-for-profit psychiatric teaching hospital, affiliated with The Warren Alpert Medical School of Brown University, providing services for the care of patients from Rhode Island and nearby Massachusetts. As a complement to its role in service and education, Butler actively supports research by members of its staff. Butler is accredited by The Joint Commission (“TJC”).

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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The mission of Kent County Memorial Hospital is to continually improve the health and well-being of the people and communities it serves, offering its essential services without regard for the ability to pay. Kent is a 359-bed, not-for-profit general hospital providing a full range of services for the acute care of patients principally from Kent County, Rhode Island. Kent is affiliated with, and provides clinical training to, the students of the University of New England College of Osteopathic Medicine, and currently operates American Osteopathic Association approved residency programs in emergency medicine, family practice, internal medicine, and a fellowship program in hyperbaric medicine. Kent is accredited by TJC and the Commission on Accreditation of Rehabilitation Facilities. Toll Gate, a wholly owned subsidiary of Kent insures primary and excess hospital professional and general liability risks for the Hospital and its employees on an occurrence basis. Toll Gate insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' professional liability on both a claims-made and occurrence basis. Toll Gate also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' professional liability on both a claims-made and occurrence basis.

The mission of Women & Infants Corporation is to support Women & Infants Hospital of Rhode Island and all other affiliated organizations. The mission of Women & Infants Hospital of Rhode Island is to improve the health and well-being of women and infants, and to provide essential services regardless of ability to pay. WIH is a 247-bed, not-for-profit regional center for women and infants' care in Rhode Island and southern New England. Among other university affiliations, Women & Infants is the primary teaching affiliate of the Warren Alpert Medical School of Brown University in obstetrics, gynecology and newborn pediatrics along with related sub-specialty and internal medicine services. As a complement to its role in service and education, WIH actively supports research by members of its staff. WIH is accredited by TJC. W&I Indemnity is a wholly owned subsidiary of WIH. W&I Indemnity insures excess hospital professional liability risks for the Hospital and its employees on an occurrence basis, and excess hospital professional liability risks for the Care New England Health System solely to the extent not covered by commercial insurance purchased by Care New England, Butler, or Kent. W&I Indemnity insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from employed physicians' and residents' medical malpractice liability on an occurrence basis. W&I Indemnity also insures the Hospital's contractual liability (pursuant to certain Indemnification Agreements) arising from community physicians' medical malpractice liability on both a claims-made and occurrence basis.

The mission of Kent County Visiting Nurse Association is to provide and administer a comprehensive, multidisciplinary, therapeutic, hospice, and public health nursing program. The Agency is a not-for-profit corporation, providing home care services to the residents of Rhode Island and nearby Massachusetts. Healthtouch, Inc. is a not-for-profit corporation providing private duty nursing and personal care services, primarily to residents of Rhode Island.

## 2. Significant Accounting Policies

### Basis of Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America ("GAAP") and in accordance with the reporting principles of not-for-profit accounting as defined by Not-for-Profit Entities and the American Institute of Certified Public Accountants ("AICPA") Audit and Accounting Guide for Health Care Organizations.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### **Use of Estimates**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates are made in the areas of patient accounts receivable, accruals for settlements with third-party payors, incurred but not reported liabilities for medical, workers' compensation, and medical malpractice insurance, and other accrued expenses. Actual results could differ from those estimates.

#### **Cash and Cash Equivalents**

Care New England considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents, excluding amounts whose use is limited by the Boards of Trustees (the "Boards") designation or other arrangements under trust agreements.

#### **Investments**

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the consolidated balance sheets. Investment income or loss (including realized and unrealized gains and losses on investments, other-than-temporary impairments in the value of securities, interest, and dividends) is included in the excess of revenues and gains over expenses unless the income or loss is restricted by donor or law.

Kent, WIH, Butler and the Agency follow the practice of pooling resources of unrestricted and restricted assets for long-term investment purposes. The investment pool is operated on the market value method whereby each participating fund is assigned a number of units based on the percentage of the pool it owns at the time of entry. Income, gains, and losses of the pool are allocated to the funds based on their respective participation in the pool.

Alternative investments (nontraditional, not readily marketable holdings) include hedge funds. Alternative investment interests generally are structured such that the Health System holds a limited partnership interest. The Health System's ownership structure does not provide for control over the related investees, and the Health System's financial risk is limited to the carrying amount reported for each investee, in addition to any unfunded capital commitment. There are no future funding commitments for alternative investments at September 30, 2012.

Individual investment holdings within the alternative investments include nonmarketable and market-traded debt and equity securities, and interests in other alternative investments. The Health System may be exposed indirectly to securities lending, short sales of securities, and trading in futures and forward contracts, options, and other derivative products. Alternative investments often have liquidity restrictions under which the Health System's capital may be divested only at specified times. The Health System's liquidity restrictions may be up to 90 days for certain investments. Liquidity restrictions may apply to all or portions of a particular invested amount. The Health System's policy is to record its ownership interest in certain alternative investments of less than 5% at cost.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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Financial information used by the Health System to evaluate its alternative investments is provided by the investment manager or general partner, and includes fair value valuations (quoted market prices and values determined through other means) of underlying securities and other financial instruments held by the investee, and estimates that require varying degrees of judgment. The financial statements of the investee companies are audited annually by independent auditors, although the timing for reporting the results of such audits does not always coincide with the Health System's annual financial statement reporting.

There is uncertainty in the valuation for alternative investments arising from factors such as lack of active markets (primary and secondary), lack of transparency into underlying holdings, and time lags associated with reporting by investee companies. As a result, there is at least a reasonable possibility that estimates will change in the near term.

Income and realized net gains (losses) on investments of endowments and specific purpose funds are reported as follows:

- Increases (decreases) in permanently restricted net assets if the terms of the gift require that they be added to the principal of permanently restricted net assets,
- Increases (decreases) in temporarily restricted net assets if the terms of the gift impose restrictions on the use of the income or the income has not yet been appropriated, or
- Increases (decreases) in the unrestricted net assets in all other cases.

### Assets Limited as to Use

Assets limited as to use primarily include endowment funds, assets held by trustees under indenture agreements and insurance programs, deferred compensation arrangements, and designated assets set aside by one or more of the Boards, over which the Boards retain control and may, at their discretion, subsequently use for other purposes. Amounts required to meet current obligations of the Hospitals have been reclassified to current assets.

### Inventories

Inventories of drugs and supplies are stated at the lower of cost (first-in, first-out) or market. Inventories of \$4,860,022 and \$4,180,758 at September 30, 2012 and 2011, respectively are included in other current assets in the consolidated balance sheets.

### Property and Equipment

Property and equipment acquisitions are recorded at cost. Donated property and equipment is recorded at fair value at the date of receipt. Interest cost incurred on borrowed funds during the period of construction of capital assets is capitalized as a component of the cost of acquiring those assets. Depreciation is recorded using the straight-line method based on the estimated useful life of each class of depreciable asset, as recommended by the American Hospital Association as follows:

Buildings and improvements	5 – 40 Years
Fixed and moveable equipment	3 – 20 Years

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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Gifts of long-lived assets, such as land, buildings, or equipment, are reported as unrestricted support, and are excluded from the excess of revenues over expenses unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used, and gifts of cash or other assets that must be used to acquire long-lived assets, are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, expirations of donor restrictions are reported when the donated or acquired long-lived assets are placed in service.

Assets recorded under capital leases are amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the asset. Such amortization is included with depreciation and amortization expense in the consolidated statements of operations.

Upon retirement or sale of assets, the cost of assets disposed of and the related accumulated depreciation are eliminated and the related gains or losses are recognized in other revenue in the consolidated statements of operations.

Care New England evaluates the potential impairment of property, plant and equipment whenever events or changes in circumstances indicate that the carrying value of a group of assets may not be recoverable.

#### **Pledges**

Pledges, less an allowance for uncollectible amounts, are recorded as receivables in the year made. Pledges receivable over a period greater than one year are stated at net present value. Pledges are recorded as additions to the appropriate net asset classification.

#### **Deferred Financing Costs**

Expenses related to issuance of bonds are deferred and amortized on a straight-line basis over the period during which the bonds are expected to be outstanding.

#### **Self-Insurance Reserves**

The reserves for self-insured programs are estimated based on actuarial studies and the Hospitals' and industry experience. The reserves include estimates of the ultimate cost for both reported claims and claims incurred but not yet reported. The Hospitals have established separate indemnification companies and trust funds for payment of certain self-insured claims including medical malpractice.

Care New England is self-insured for losses arising from workers' compensation claims. Loss reserves are estimated based on actuarial studies, and the Health System's and industry experience.

For the employees of the Hospitals and the Agency, Care New England is self-insured for losses arising from health insurance claims. Self-insured losses for both reported claims and claims incurred but not yet reported are estimated based on actuarial studies and the Health System's actual experience.

#### **Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are those whose use has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained in perpetuity.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### **Excess of Revenues Over Expenses**

The consolidated statements of operations and changes in net assets include excess of revenues and gains over expenses. Changes in unrestricted net assets, which are excluded from excess of revenues and gains over expenses, consistent with industry practice, include permanent transfers of assets to and from affiliates for other than goods and services, contributions of long-lived assets (including assets acquired using contributions which by donor restriction were to be used for the purposes of acquiring such assets), and changes in the pension and postretirement liability.

#### **Net Patient Service Revenue**

The Hospitals and the Agency have individual agreements with many third-party payors that provide payments at amounts different from their established rates. Payment arrangements include prospectively determined rates per discharge, reimbursed costs, discounted charges, and per-diem payments.

Net patient service revenue is reported at estimated net realizable amounts from patients, third-party payors, and others for services rendered, and includes estimated retroactive revenue adjustments due to such things as future audits and reviews. Retroactive adjustments are considered in the recognition of revenue on an estimated basis in the period the related services are rendered, and such amounts are adjusted in future periods as adjustments become known, or as years are no longer subject to such adjustments.

#### **Research Revenue**

Research revenue includes revenue from federal, state, institutional and other sources for the purposes of funding research activities.

#### **Other Revenue**

Other revenue includes underwriting income, rental income, cafeteria sales, laboratory services provided to nonpatients, sales of home medical equipment, vendor rebates and discounts, various services provided to physicians and other organizations and gains or losses upon the retirement or sale of assets.

#### **Charity Care**

The Health System provides care to patients who meet certain criteria under their charity care policies without charge or at amounts less than established rates. Because the Health System does not pursue collection of amounts determined to qualify as charity care, they are not reported as net patient revenue.

#### **Contributions and Donor-Restricted Gifts**

Unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. Conditional promises to give and indications of intentions to give are reported at fair value at the date when the condition is satisfied. Gifts are reported as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statements of operations and changes in net assets as net assets released from restrictions.

Unrestricted contributions are reported net of direct fundraising expenses in the consolidated statements of operations.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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### **Income Tax Status**

Care New England, the Hospitals, the Agency, Healthtouch, Women & Infants Faculty Physicians, Inc., Women & Infants Corporation, Women & Infants Development Foundation, Palomar, and Kent Hospital Foundation are not-for-profit corporations, and have been recognized as tax exempt on related income pursuant to Section 501(c)(3) of the Internal Revenue Code. W&I Indemnity, Ltd and Toll Gate Indemnity, Ltd are foreign corporations with no material tax liability. Other affiliates are single-member limited liability companies which are treated as part of their sole member for tax purposes.

### **New Accounting Pronouncements**

#### ***Measuring Charity Care for Disclosure***

In August 2010, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2010-23 (ASU 2010-23), *Measuring Charity Care for Disclosure* that requires health care entities to use cost as the measurement basis for charity care disclosures and defines cost as the direct and indirect costs of providing charity care. The Health System adopted the guidance on October 1, 2011, and the accompanying notes to the consolidated financial statements reflect the amended disclosure requirements. The cost of caring for charity care patients is disclosed in Note 4. This guidance amends disclosure requirements only, therefore, there was no impact to the Health System's consolidated financial statements upon adoption.

#### ***Presentation of Insurance Claims and Related Insurance Recoveries***

In August 2010, the FASB issued ASU 2010-24, *Presentation of Insurance Claims and Related Insurance Recoveries*, which prohibits the offsetting of conditional or unconditional liabilities with anticipated insurance recoveries from third parties. The Health System adopted the new guidance on October 1, 2011. The adoption of the guidance did not have a significant impact on the consolidated financial statements.

#### ***Presentation and Disclosure of Patient Service Revenue, Provision for Bad Debts, and the Allowance for Doubtful Accounts***

In July 2011, the FASB issued ASU 2011-7, *Presentation and Disclosure of Patient Service Revenue, the Provision for Bad Debts, and Allowance for Doubtful Accounts*. This guidance requires the Health System to modify the presentation of its consolidated statements of operations and changes in net assets by reclassifying the provision for bad debts associated with patient revenue from an operating expense to a deduction from patient service revenue. Additionally, the guidance requires enhanced disclosure about the Health System's policies for recognizing revenue and assessing bad debts, patient service revenue (net of contractual allowances and discounts), and qualitative and quantitative information about changes in the allowance for doubtful accounts. The Health System adopted the guidance on October 1, 2011.

### **Reclassifications**

Certain items in the 2011 financial statements have been reclassified to conform to the current year presentation.



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### 3. Revision to the 2011 Consolidated Financial Statements

The Health System has revised the September 30, 2011 consolidated financial statements to reflect the correction of an error related to the misapplication of accounting principles related to temporarily restricted net assets. As a result of this correction, the following adjustments have been made to the previously reported September 30, 2011 temporarily restricted net asset

	As Reported	Adjustment	As Revised
Unrestricted net assets	\$ 223,493,967	\$ 20,577,610	\$ 244,071,577
Temporarily restricted net assets	46,947,206	(20,577,610)	26,369,596

#### 4. Uncompensated Care and Community Services

The Health System maintains records to identify and monitor the level of charity care and community services it provides, including the amount of charges forgone for services and the estimated cost incurred to provide those services. The revenues forgone and estimated costs and expenses incurred to provide charity care for the years ended September 30 are as follows

	2012	2011
Revenues forgone, based on established rates	\$ 36,846,051	\$ 35,271,183
Expenses and costs incurred	14,376,362	14,554,470

Of the Health System's total expenses reported (\$835,341,996 and \$796,939,662 in 2012 and 2011, respectively), an estimated \$14,376,362 and \$14,554,470 arose during 2012 and 2011 respectively, from providing services to charity patients. The estimated costs of providing charity services are based on a calculation which applies a ratio of costs to charges to the gross uncompensated charges associated with providing care to patients who qualify for charity care. The ratio of cost to charges is calculated based on total expenses (less bad debt expense) divided by gross patient service revenue. The Health System did not receive significant contributions that were restricted for the care of indigent patients during 2012 and 2011.

In addition to the above-mentioned medical care rendered, the Health System provides numerous other services free of charge to the community. These services include such things as transporting patients to the healthcare facilities, interpretation of medical information to various languages, volunteer services to other not-for-profit agencies, emergency and disaster relief services, various health, educational, research and teaching programs, healthcare screening services, therapeutic patient services, and provision of direct services to patients with multiple psychosocial needs.

	2012	2011
Approximated revenues forgone, or cost of the services provided to the community	\$ 7,131,790	\$ 7,397,062

The Health System also provides services to other indigent patients under the Medicaid/Rite Care Program, which reimburses healthcare providers at amounts which are less than the cost of services provided to the recipients.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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In addition to the cost of charity care and other community service programs, the Health System provided \$42,706,347 and \$31,931,088 for uncollectible patient accounts during the years ended September 30, 2012 and 2011, respectively

#### 5. Allowance for Doubtful Accounts

Accounts receivable are reduced by an allowance for doubtful accounts. In evaluating the collectability of accounts receivable, the Health System analyzes its past history and identifies trends for each of its major payor sources of revenue to estimate the appropriate allowance for doubtful accounts and provision for bad debts. Management regularly reviews data about these major payor sources of revenue in evaluating the sufficiency of the allowance for doubtful accounts. For receivables associated with services provided to patients who have third-party coverage, the Health System analyzes contractually due amounts and provides an allowance for doubtful accounts and a provision for bad debts, if necessary (for example, for expected uncollectible deductibles and copayments on accounts for which the third-party payor has not yet paid, or for payors who are known to be having financial difficulties that make the realization of amounts due unlikely). For receivables associated with self-pay patients (which includes both patients without insurance and patients with deductible and copayment balances due for which third-party coverage exists for part of the bill), the Health System records a significant provision for bad debts in the period of service on the basis of its past experience, which indicates that many patients are unable or unwilling to pay a portion of their bill for which they are financially responsible. The difference between the standard rates (or the discounted rates if negotiated) and the amounts actually collected after all reasonable collection efforts have been exhausted is charged off against the allowance for doubtful accounts.

The Health System's allowance for doubtful accounts for self-pay patients increased from 25.4% of net accounts receivable at September 30, 2011, to 26.7% of net accounts receivable at September 30, 2012. In addition, the Health System's self-pay charity and bad debt write-offs increased \$7,154,000 from \$63,285,000 for fiscal year 2011 to \$70,439,000 for fiscal year 2012. Both increases were the result of increases in patients served who had no insurance coverage or who had higher co-pays and/or deductibles than in the past. The largest increases were experienced at Kent where a significant increase in the number of patients treated in its emergency department also contributed to the increase in self-pay activity. The Health System has not changed its charity care or uninsured discount policies during fiscal years 2011 or 2012.

#### 6. Pledges Receivable

Unconditional promises to give are recorded at present value as current and long-term assets based on expected time of collection. Future expected collections of these pledges as of September 30 are as follows:

	2012	2011
Within one year	\$ 2,065,207	\$ 2,195,890
One to five years	2,804,623	3,650,520
Beyond five years	19,324	6,305
	<u>4,889,154</u>	<u>5,852,715</u>
Less: Allowance for uncollectibles	<u>(356,441)</u>	<u>(1,228,605)</u>
Pledges receivable, net	<u>\$ 4,532,713</u>	<u>\$ 4,624,110</u>

**Care New England Health System and Affiliates**  
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**7. Summary of Investments**

Investments at September 30 are summarized as follows

	<b>2012</b>	<b>2011</b>
Securities, at market		
Cash and cash equivalents	\$ 30,726,952	\$ 29,229,814
Fixed income securities	77,989,608	74,757,990
Equity securities	43,582,040	52,244,843
Mutual funds	80,484,437	76,231,228
Auction rate securities	4,175,157	10,598,691
Alternative investments	57,514,333	35,591,407
Assets held under split - interest agreements	11,216,513	10,074,539
Cash surrender value of life insurance	29,333,583	28,590,839
	<u>\$ 335,022,623</u>	<u>\$ 317,319,351</u>

The cash surrender value of life insurance is included in Board-designated funds

Investment return for the years ended September 30 consisted of the following

	<b>2012</b>	<b>2011</b>
Interest and dividend income	\$ 2,493,051	\$ 2,862,928
Net realized gains on sales of investments	8,754,299	9,885,312
Net change in unrealized (losses) gains	13,239,205	(12,679,303)
	<u>\$ 24,486,555</u>	<u>\$ 68,937</u>
Included in operating revenue	\$ 7,274,177	\$ 9,502,082
Included in nonoperating revenue	17,212,378	(9,433,145)
	<u>\$ 24,486,555</u>	<u>\$ 68,937</u>

Care New England, the Hospitals, and the Agency routinely invest their surplus operating funds in various overnight repurchase agreements, money market funds, and fixed income U S agency bonds, which are classified as cash and cash equivalents

Through its consolidated treasury management system, Care New England, on behalf of the Health System, has invested surplus operating cash in auction rate securities with varying maturity dates, which are backed by student loans. These loans are guaranteed for repayment by the federal government. During 2008, the auctions at which these securities were sold began to fail, requiring CNE to hold these securities indefinitely. However, payments of interest from the underlying loan pool remain current. As of September 30, 2012, these securities are recorded as long-term investments and as of September 30 2011, these securities are recorded as short-term and long-term investments in the consolidated balance sheets and Care New England has recorded an other-than-temporary impairment loss of \$824,844 and \$651,310, respectively, based on an independent valuation of the securities. During 2012, \$6,250,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of \$361,466. During 2011, \$9,750,000 of the auction rate securities were liquidated at face value, resulting in a nonoperating gain of \$548,825.

**Care New England Health System and Affiliates**  
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The summary of the current and long-term fair value of the auction rate securities is as follows

	<b>2012</b>	<b>2011</b>
Current investments	\$ -	\$ 4,003,500
Long term investments	4,175,157	6,595,191
	<u>\$ 4,175,157</u>	<u>\$ 10,598,691</u>

**8. Property, Plant and Equipment**

A summary of property, plant and equipment at September 30 follows

	<b>2012</b>	<b>2011</b>
Land and land improvements	\$ 10,534,754	\$ 10,409,078
Buildings and improvements	349,992,370	345,142,240
Moveable equipment	260,585,416	275,240,463
Total property, plant and equipment	621,112,540	630,791,781
Less Accumulated depreciation and amortization	(381,298,883)	(382,282,204)
	239,813,657	248,509,577
Construction and projects in progress	9,973,632	2,285,966
Property, plant and equipment, net	<u>\$ 249,787,289</u>	<u>\$ 250,795,543</u>

Depreciation expense of property, plant and equipment amounted to \$27,298,979 and \$27,364,023 for the years ended September 30, 2012 and 2011, respectively

Care New England had property, plant and equipment disposals of \$608,919 and \$3,119,556 with accumulated depreciation of \$529,266 and \$2,922,517 for the years ended September 30, 2012 and 2011, respectively. In addition, the Health System wrote off \$27,753,034 of fully depreciated assets that were being tracked on the fixed asset register and determined to no longer be in service. The net book value was written off and reflected in the consolidated statements of operations.

During May 2010, Kent received a Certificate of Need approval from the Rhode Island Department of Health to construct and relocate its outpatient surgical suites on one floor of a two-story medical building being built on its campus by a private developer. The Certificate of Need also includes lobby renovations, the construction of a connector to the main hospital building, and the construction of a 10-bed short stay nursing unit in the vacated outpatient surgery space. The project will be funded through tax-exempt debt and philanthropic donations. Total estimated cost of the project is \$15,000,000 and it is expected to be completed during fiscal 2013.

During November 2010, Butler received a Certificate of Need approval from the Rhode Island Department of Health to build a building that will house an updated Patient Assessment Service, and accommodate an increase in Butler's licensed bed complement of inpatient psychiatry beds by twenty-six. The building will be funded through tax-exempt debt, use of equity, and philanthropic donations. Total estimated cost of the new building is \$19,126,000 and it is expected to be completed during calendar 2013.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

As of September 30, 2012, the Health System estimated the total cost of completion of construction and projects in progress to be approximately \$30,991,000. The funding to complete these projects will come from Board-designated funds, trustee-held funds, philanthropic donations and operating cash.

WIH leases land for its facility from Rhode Island Hospital ("RIH"), for a nominal annual payment, under a 99-year lease agreement which expires December 31, 2085.

Butler owns approximately 110 acres of land, which was purchased with donated funds in the mid-19th century. This land has a book value of one dollar.

In the late 1940s, Kent acquired 57 acres of land, which is recorded at the acquisition price of \$90,165.

Conditional asset retirement obligations are recorded at \$1,680,800 and \$1,650,159 as of September 30, 2012 and 2011, respectively. These obligations are recorded in other noncurrent liabilities in the consolidated balance sheets. There are no assets that are legally restricted for purposes of settling asset retirement obligations. During 2012 and 2011, there were no significant retirement obligations incurred or settled. Accretion expense of \$30,641 and \$66,284 was recorded during the years ended September 30, 2012 and 2011, respectively.

## 9. Long-Term Debt and Capital Leases

A summary of long-term debt at September 30 is as follows:

	2012	2011
Variable rate \$46,730,000 RIHEBC 2008 Series A bonds, final maturity in 2032	\$ 40,275,000	\$ 41,655,000
Variable rate \$38,210,000 RIHEBC 2008 Series B bonds, final maturity in 2037	28,570,000	29,885,000
Fixed rate \$12,000,000 RIHEBC 2010 Series bonds, final maturity in 2031	11,369,682	11,793,682
Fixed rate \$16,000,000 RIHEBC 2011 Series bonds, final maturity in 2031	15,392,733	16,000,000
Term, \$300,000 RIHEBC equipment note, final maturity in 2014	66,102	97,058
Term, \$3,750,000 Bank of America mortgage note, final maturity in 2015	2,406,250	2,593,750
Term, \$4,000,000 Time Insurance Company mortgage note, final maturity in 2027	3,578,380	3,671,380
Capital lease obligations	<u>13,112,760</u>	<u>6,184,338</u>
Total long-term debt and capital lease obligations	114,770,907	111,880,208
Less: Current portion of long-term debt and capital lease obligations	<u>(6,393,013)</u>	<u>(5,913,883)</u>
Long-term debt and capital lease obligations, excluding current portion	<u>\$ 108,377,894</u>	<u>\$ 105,966,325</u>

### Rhode Island Health and Educational Building Corporation (RIHEBC) Bonds

In 2008, the Health System issued RIHEBC 2008 Series A variable rate bonds of \$46,730,000. The bonds have mandatory sinking fund redemptions ranging from \$1,430,000 in 2013 to \$2,735,000 in 2032.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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In 2008, the Health System issued RIHEBC 2008 Series B variable rate bonds of \$38,210,000. The bonds have mandatory sinking fund redemptions ranging from \$660,000 in 2013 to \$1,810,000 in 2037.

The proceeds from the CNE 2008 Series A bonds were used to (1) refund the outstanding CNE 2002 Series A bonds, and (2) pay certain expenses related to the issuance of the CNE 2008 Series A bonds. The proceeds from the CNE 2008 Series B bonds were used to (1) defease a portion of the outstanding CNE 2002 Series B bonds, and (2) finance a portion of WIH's Certificated of Need project consisting of the construction, equipping, and furnishing of a five-story addition to WIH's existing hospital building, (3) finance a portion of routine capital improvements, and (4) pay certain expenses related to the issuance of the CNE 2008 Series B bonds. The CNE 2002 Series B bonds were defeased by depositing a portion of the proceeds of the CNE 2008 Series B bond proceeds and money contributed by the Obligated Group members, Butler, Kent, WIC and WIH in an account held by the trustee for the CNE 2002 Series B bonds to provide funds as and when necessary to pay the principal and interest on the CNE 2002 Series B bonds. The refunding trust had sufficient fixed income securities to meet the required payments on the outstanding balances, with final payment made on September 1, 2012.

The Series A and Series B bonds bear interest at a daily, weekly, or monthly rate, which is payable on the first business day of each month, and on maturity or redemption dates and the fixed rate conversion date. In no event will the interest rate borne by the bonds exceed 10% per annum. Since issuance in 2008, the bonds have borne weekly interest rate. CNE has pledged gross receipts backed by a bank letter of credit which expires on February 1, 2015. The bonds are subject to tender at the option of the owners thereof. To the extent the tendered bonds are not able to be remarketed, the letter of credit bank has committed to purchase the bonds. Amounts advanced by the bank to pay the purchase price on bonds being purchased and not reimbursed to the bank on the date of such drawing will be converted to a credit agreement loan and amortized over three years. CNE, Butler, Kent, WIC, and WIH are jointly and severally liable for repayment.

Under the terms of the Series A and Series B revenue bonds, CNE and the Hospitals are required to make periodic debt service payments with a trustee, which are included with assets limited as to use. The revenue bond indenture and letter of credit agreement also places limits on the incurrence of additional borrowings, and require that the Obligated Group satisfy certain measures of financial performance as long as the bonds are outstanding. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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In 2010, the Health System issued RIHEBC 2010 Series fixed rate bonds of \$12,000,000. The bonds have mandatory sinking fund redemptions ranging from \$439,618 in 2013 to \$813,065 in 2030, with a final payment of \$417,695 in 2031. These bonds were issued as Direct Purchase Tax Exempt Bank qualified bonds. The bonds bear a fixed interest rate of 3.65% through December, 2017 with 3 year optional tenders through December, 2030. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used by Kent to finance (i) the renovation, equipping and furnishing of existing hospital space to house a ten (10) bed short stay unit, (ii) the construction, equipping and furnishing of a 30,000 square foot ambulatory surgical center with a connection to Kent's existing hospital building and (iii) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of \$9,123,660 are included in trustee-held funds in the consolidated balance sheet at September 30, 2012. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

In 2011, the Health System issued RIHEBC 2011 Series fixed rate bonds of \$16,000,000. The bonds have mandatory sinking fund redemptions ranging from \$612,216 in 2013 to \$1,044,574 in 2031. These bonds were issued as unrated private placement tax exempt bonds. The bonds bear a fixed interest rate of 2.99% through July 31, 2018. The bonds bear interest on a per annum basis with semi-annual payments based on a 20 year amortization. The proceeds from the bonds are being used to finance (i) the construction, equipping and furnishing of a 32,000 square foot addition of Butler's existing hospital facility, (ii) refinancing of the Bank of Rhode Island mortgage held by WIC, (iii) refinancing of certain capital leases, (iv) purchase of capital equipment, (v) capitalized interest and (vi) cost of issuance. CNE, Butler, Kent, WIC and WIH are jointly and severable liable for repayment. Unspent bond proceeds of \$8,061,841 are included in trustee-held funds in the consolidated balance sheet at September 30, 2012. The Health System is required to comply with certain debt covenants under the bond agreements, including a minimum debt service coverage ratio of 1.25 to 1 and a liquidity ratio of .75 to 1. The Health System has been, and remains, compliant with these terms.

### **Rhode Island Health and Educational Building Corporation Notes**

In 2004, the Health System entered into a \$300,000 RIHEBC Equipment Note due July 1, 2004 through June 1, 2014. Monthly interest and principal installments of \$3,141 are due at a fixed interest rate of 4.72%. The note is collateralized by the equipment purchased with the proceeds by the Agency and guaranteed by the Health System.

### **Bank Mortgage Notes**

In 2005, the Health System entered into a \$3,750,000 mortgage note with Bank of America due August 2005 through July 2015. Interest and principal installments of \$33,837 on August 1, 2005 to \$24,883 on June 1, 2015 are due monthly, with a final payment of \$1,899,215 due June 2015, at a fixed interest rate of 5.64%. The note is collateralized by the real estate purchased. The Health System is required to comply with certain debt covenants under the note agreement, including a minimum debt service coverage ratio of 1.25 to 1. The Health System has been, and remains, compliant with these terms.

In 2007, the Health System entered into a \$4,000,000 mortgage note with Time Insurance Company due October 2007 through September 2027. Interest and principal installments of \$25,261 are due monthly, with a final payment of \$1,338,527 due September 2027, at a fixed interest rate of 5.79%. The note is collateralized by the real estate purchased.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### Interest Rate Swaps

CNE maintains interest rate swap programs on certain of its 2008 Series A and B variable rate revenue bonds. These bonds expose the Health System to variability in interest payments due to changes in interest rates. The Health System entered into various interest rate swap agreements to manage fluctuations in cash flows resulting from interest rate risk. These agreements involve the exchange of fixed rate payments by CNE for variable rate payments from counterparties, based on the Securities Industry and Financial Markets Association (SIFMA) Index.

In 2004, CNE entered into an interest rate swap agreement with Bank of America Investments, effectively converting the \$50,000,000 RIHEBC CNE 2002 Series A variable rate debt to a fixed rate of 2.99% for the period of October 1, 2005 through August 1, 2011.

As part of the 2008 Series A & B refinancing, CNE (1) maintained the interest rate swap agreement that was entered into in 2004 with Bank of America Investments which effectively converted \$45,400,000 of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 3.02% for the period of February 1, 2008 through August 1, 2011. The notional amount of the swap at September 30, 2010 was \$42,860,000, (2) entered into an interest rate swap agreement with Deutsche Bank Group which effectively converts all of the RIHEBC CNE 2008 Series A variable rate bonds to a fixed rate of 4.216% for the period of August 1, 2011 through July 1, 2032. The notional amount of the swap at September 30, 2012 and 2011 was \$40,275,000 and \$41,655,000, respectively, and (3) entered into an interest rate swap agreement with Morgan Stanley Capital Services which effectively converts all of the RIHEBC CNE 2008 Series B variable rate bonds to a fixed rate of 3.857% for the period of February 1, 2008 through August 31, 2037. The notional amount of the swap at September 30, 2012 and 2011 was \$28,570,000 and \$29,885,000, respectively.



**Care New England Health System and Affiliates**  
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The Health System uses the interest rate swap agreements in order to manage its interest rate risk associated with its outstanding debt. These swaps effectively convert interest rates on variable rate bonds to fixed rates. The interest rate swap agreements meet the definition of derivative instruments. However, the change in the market value and cash flow impact of the derivative instruments are accounted for as a nonoperating activity. The swaps, while serving as an economic hedge, do not qualify as an accounting hedge.

The following table summarizes the 2008 Series A and B debt activity for the fiscal years ended September 30.

	2012	2011
Debt outstanding		
October 1 – August 31	<u>\$ 71,540,000</u>	<u>\$ 74,500,000</u>
September 1 – September 30	<u>\$ 68,845,000</u>	<u>\$ 71,540,000</u>
Weighted-average bonds outstanding	<u>\$ 71,315,417</u>	<u>\$ 74,253,333</u>
Interest payments to bondholders plus letter of credit fees paid to bank	<u>\$ 357,773</u>	<u>\$ 443,848</u>
Net cash payments on interest rate swaps	<u>2,790,916</u>	<u>2,463,050</u>
	<u>\$ 3,148,689</u>	<u>\$ 2,906,898</u>
Effective interest rate	4.42 %	3.91 %
Market value of swap agreements at September 30	<u>\$ (13,629,389)</u>	<u>\$ (11,356,534)</u>
Change in market value of swap agreements	<u>\$ (2,272,855)</u>	<u>\$ (1,539,686)</u>

Scheduled principal repayments on long-term debt are as follows for the years ended September 30.

2013	\$ 3,454,768
2014	3,573,635
2015	5,508,585
2016	3,598,782
2017	3,735,978
Thereafter	<u>81,786,399</u>
	<u>\$ 101,658,147</u>

Care New England had available \$15,000,000 from October 1, 2010 through August 12, 2011 and December 29, 2011 through September 30, 2012 through a line of credit with a financial institution. There were no outstanding balances on the line of credit as of September 30, 2012 and 2011.

The Hospitals classify certain noncancelable leases as capital leases, and include the property under lease in their property and equipment. Amortization expense for these assets is included in depreciation and amortization expenses in the consolidated statements of operations and changes in net assets. Ownership of the leased property converts to the Hospitals at the end of the lease term. Assets and related accumulated depreciation under the capital leases are included in property, plant and equipment (Note 8).

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Future minimum lease payments due under capital lease arrangements are as follows

2013	\$ 3,191,638
2014	2,604,613
2015	2,011,869
2016	1,511,533
2017	1,509,123
Thereafter	<u>3,018,248</u>
Total minimum lease payments	13,847,024
Less Amount representing interest	<u>734,264</u>
Capital lease obligations at September 30, 2012	<u>\$ 13,112,760</u>

**10. Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes or periods at September 30

	<b>2012</b>	<b>2011</b>
Healthcare services	\$ 4,664,831	\$ 3,815,689
Healthcare research	108,698	63,369
General purposes	8,317,602	7,306,745
Indigent care	2,845,711	2,483,848
Health education	2,039,599	1,945,865
Plant replacement and expansion	10,347,455	6,547,723
Endowment	4,320,036	3,254,498
Other	<u>1,397,406</u>	<u>951,859</u>
Total temporarily restricted net assets	<u>\$ 34,041,338</u>	<u>\$ 26,369,596</u>

Permanently restricted net assets at September 30 are restricted investments to be held in perpetuity

	<b>2012</b>	<b>2011</b>
Plant replacement and expansion	\$ 11,216,513	\$ 10,074,539
Indigent care	874,506	877,018
General purposes	1,603,479	1,603,481
Research	539,628	560,279
Healthcare services	4,081,187	4,007,497
Health education	<u>1,027,487</u>	<u>1,013,514</u>
Total permanently restricted net assets	<u>\$ 19,342,800</u>	<u>\$ 18,136,328</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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The Health System follows the requirements of the Rhode Island enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 as they relate to its permanently restricted endowments. The Health System's endowments consist of numerous individual funds established for a variety of purposes. Its endowments consist solely of donor-restricted endowment funds. As required by U.S. generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Health System classifies restricted donor funds in accordance with the laws of the State of Rhode Island and generally accepted accounting principles. The Health System classifies as permanently restricted net assets (1) the original value of gifts donated to the permanent endowment, (2) the original value of subsequent gifts to the permanent endowment, and (3) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment funds that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure. The Health System considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the fund, (2) the purpose of the Health System and the donor-restricted endowment fund, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, and (6) the investment policies of the Health System.

For the year ended September 30, 2012, the Health System had the following changes in the endowment net assets:

	Temporarily Restricted	Permanently Restricted	Total
<b>Endowment net assets at beginning of year</b>	\$ 16,702,976	\$ 8,061,789	\$ 24,764,765
Investment return			
Investment income	505,468	523	505,991
Net appreciation (realized and unrealized)	3,240,794	-	3,240,794
Total investment return	3,746,262	523	3,746,785
Contributions	(14,258)	63,975	49,717
Appropriation of endowment assets for expenditure	(499,107)	-	(499,107)
<b>Endowment net assets at end of year</b>	<u>\$ 19,935,873</u>	<u>\$ 8,126,287</u>	<u>\$ 28,062,160</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

For the year ended September 30, 2011, the Health System had the following changes in the endowment net assets

	Temporarily Restricted	Permanently Restricted	Total
<b>Endowment net assets at beginning of year</b>	\$ 17,801,565	\$ 7,957,205	\$ 25,758,770
Investment return			
Investment income	333,250	504	333,754
Net appreciation (realized and unrealized)	(1,066,399)	-	(1,066,399)
Total investment return	(733,149)	504	(732,645)
Contributions	(37,149)	104,080	66,931
Appropriation of endowment assets for expenditure	(328,291)	-	(328,291)
<b>Endowment net assets at end of year</b>	<b>\$ 16,702,976</b>	<b>\$ 8,061,789</b>	<b>\$ 24,764,765</b>

In addition to permanently restricted endowments, Kent is an income beneficiary of various trusts. On September 30, 2012 and 2011, the market value of the trust assets, which are recorded as permanently restricted net assets, totaled \$11,216,513 and \$10,074,539, respectively. Distributions of income are made at the discretion of the trustees.

It is the policy of the Health System that any appropriations from the appreciation in endowment funds are periodically requested of and approved by the Board of Trustees.

The Board has responsibility for formulating investment policy. The investment policy is to invest in a conservative asset portfolio with minimal investment risk. Certain funds are included in a consolidated long term investment pool and invested in accordance with the investment strategy, authorized by the Boards.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor requires the Health System to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets are immaterial as of September 30, 2012 and 2011. These deficiencies resulted from unfavorable market fluctuations. The individual donor-restricted endowment funds with deficiencies will retain future income and appreciation to restore the required fair value of the assets.

During fiscal 2012 and 2011, net assets were released from donor restrictions by incurring expenses satisfying the following restricted purposes:

	2012	2011
Healthcare services	\$ 1,234,809	\$ 1,541,279
Healthcare research	2,693	18,205
Plant replacement and expansion	2,033,732	3,419,281
Other	1,112,625	1,046,630
Health education	127,886	282,197
Indigent care	101,943	107,075
<b>Total net assets released from restrictions</b>	<b>\$ 4,613,688</b>	<b>\$ 6,414,667</b>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### 11. Retirement Plans

The Health System has two separate pension plans. One plan covers the employees of CNE and the Hospitals, with the exception of the unionized employees of WIH (who are covered under a multiemployer union plan) and certain WIH-employed physicians. The other plan covers the employees of the Agency.

##### Care New England Pension Plan

The Care New England Pension Plan (the "Plan"), established on October 1, 1998, is a defined benefit cash balance plan that covers all of the employees of CNE, and all of the Hospitals' employees, with the exception of the unionized employees and certain employed physicians at WIH. The benefits for the unionized employees at Butler are computed under a separate formula that was in effect when the Butler plan was a standalone noncontributory defined benefit plan. The Hospitals incur and fund their respective pension plan expenses within the guidelines established by the Employee Retirement Income Security Act of 1974.

The Care New England Board of Trustees voted, on September 23, 2010, to freeze the Plan effective December 31, 2010 for all employees with the exception of the Butler unionized employees. Effective December 31, 2010, compensation paid to a participant shall be disregarded for plan purposes, except for purposes related to determining benefits for the unionized employees at Butler. In addition, a participant's cash balance account will only increase annually for interest credit. In connection with the Plan freeze, the Health System enhanced contributions to the Care New England 403(b) Match and Savings Plan.

Included in cumulative changes in unrestricted net assets at September 30, 2012 that has not yet been recognized in net periodic pension cost is an actuarial loss of \$81,856,881. Included in changes in unrestricted net assets at September 30, 2011 that has not yet been recognized in net periodic pension cost is an actuarial loss of \$70,950,846.

The actuarial loss included as cumulative changes in unrestricted net assets and expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2013 is \$1,777,022.

Net periodic pension cost includes the following components at September 30:

	2012	2011
Service cost	\$ 1,866,870	\$ 4,078,458
Interest cost	10,681,494	11,114,337
Expected return on plan assets	(13,033,563)	(13,523,703)
Amortization of loss	1,471,248	1,012,569
Net periodic pension expenses	<u>\$ 986,049</u>	<u>\$ 2,681,661</u>

**Care New England Health System and Affiliates**  
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The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows

	<b>2012</b>	<b>2011</b>
Discount rate	5.03 %	5.26 %
Expected return on assets	7.75	7.75
Rate of compensation increase	4.00	4.00

The following table presents a reconciliation of the beginning and ending balances of the plan projected benefit obligations, fair value of plan assets, funded status, and accumulated other comprehensive income (AOCI) of the plan as of September 30

	<b>2012</b>	<b>2011</b>
<b>Changes in benefit obligations</b>		
Projected benefit obligations at beginning of year	\$ 221,054,222	\$ 216,299,180
Service cost	1,866,870	4,078,458
Interest cost	10,681,494	11,114,337
Actuarial loss	24,371,104	4,380,881
Benefits and expenses paid	<u>(12,319,565)</u>	<u>(14,818,634)</u>
Projected benefit obligations at end of year	<u>\$ 245,654,125</u>	<u>\$ 221,054,222</u>
<b>Changes in plan assets</b>		
Fair value of plan assets at beginning of period	\$ 169,224,897	\$ 170,770,388
Actual return on plan assets	25,027,384	(2,051,857)
Employer contributions	9,500,000	15,325,000
Benefits and expenses paid	<u>(12,319,565)</u>	<u>(14,818,634)</u>
Fair value of plan assets at end of period	<u>\$ 191,432,716</u>	<u>\$ 169,224,897</u>
<b>Funded status</b>		
Total pension liability	\$ (54,221,409)	\$ (51,829,325)
Accumulated benefit obligation	243,129,449	218,932,069
<b>Amounts recognized in unrestricted net assets</b>		
Unrestricted net assets at beginning of period	\$ 70,950,846	\$ 52,006,974
Less amounts amortized during the year		
Net loss	1,471,248	1,012,569
Plus amounts occurring during the year		
Net loss	<u>12,377,283</u>	<u>19,956,441</u>
Unrestricted net assets at end of period	<u>\$ 81,856,881</u>	<u>\$ 70,950,846</u>

The assumptions used to develop the projected benefit obligation as of September 30 are as follows

	<b>2012</b>	<b>2011</b>
Discount rate	3.80 %	5.03 %
Rate of compensation increase	4.00 %	4.00 %

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

September 30, 2012 and 2011

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### Plan Assets

The Plan's investment objectives are to achieve long-term growth in excess of inflation, and to provide a rate of return that meets or exceeds the actuarial expected long-term rate of return on plan assets. In order to minimize risk, the Plan attempts to minimize the variability in yearly returns. The Plan diversifies its holdings among sectors, industries, and companies. No more than 6% of the Plan's portfolio (measured on market value) may be held in an individual company's stocks or bonds.

To develop the expected long-term rate of return on plan assets assumption, the Health System considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio.

The Health System's pension plan asset allocations (based on market value) at September 30, by asset category, are as follows:

	Target Allocation	Actual 2012	Actual 2011
<b>Asset category</b>			
Alternative investments	18 %	25 %	26 %
Fixed income securities	26	28	24
Equity securities	56	47	50
	<u>100 %</u>	<u>100 %</u>	<u>100 %</u>

### Contributions

The Health System contributed \$9,500,000 and \$15,325,000 to the Plan in 2012 and 2011, respectively. The Health System expects to contribute \$6,000,000 to the Plan in 2013.

### Estimated Future Benefit Payments

The following benefit payments, which reflect expected future service, as appropriate, are expected to be paid:

Fiscal Year	Pension Benefits
2013	\$ 17,860,000
2014	15,535,000
2015	15,380,000
2016	15,433,000
2017	15,990,000
Years 2018–2021	82,637,000

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### ***Care New England 403(b) Match and Savings Plan***

Effective January 1, 2009, the Pension Plan Protection legislation resulted in regulatory changes which discontinued the matching credits to the participants that were previously recorded in the CNE Pension Plan. As a result, CNE established the Care New England 403(b) Plan to account for future matching credits. The plan covers employees that meet certain eligibility requirements. Additionally, effective January 1, 2011, in connection with the freeze of the Care New England Pension Plan, the Health System also provides a nonelective contribution to participant accounts, as defined in the Plan document. Nonelective contributions are allocated to each eligible participant based on a percentage of salary, a combination of the recipients age and years of service, and are credited to each such participant as of the first day of the Plan year, as further described in the Plan document.

The Health System recorded an expense of \$12,736,528 and \$8,941,660 for the nonelective contribution to participant accounts for the fiscal years that ended September 30, 2012 and 2011, respectively. In addition, the Health System recorded an expense of \$3,216,389 and \$2,904,069 for matching credits for fiscal years ended September 30, 2012 and 2011, respectively. The Health System will fund the 2012 expense in calendar year 2013 and funded the 2011 expense in calendar year 2012.

#### ***WIH Union Plan***

Payments to a multiemployer pension plan covering union employees at WIH for the years ended September 30, 2012 and 2011 were \$8,150,291 and \$7,766,513, respectively.

#### ***Kent County Visiting Nurse Association Pension Plan***

The Agency has a noncontributory defined benefit pension plan covering all employees who have satisfied certain eligibility requirements that was frozen effective December 31, 2007, and replaced with a contributory retirement savings plan. Benefits under the defined benefit plan were based on years of service and employee's compensation levels.

Included in the charge to net assets at September 30, 2012 and 2011 is an unrecognized actuarial loss of \$3,580,493 and \$3,303,783, respectively. The actuarial loss expected to be recognized in net periodic pension cost during the fiscal year ended September 30, 2013 is \$307,193.

The Agency's pension expense was \$262,262 in 2012 and \$187,497 in 2011.

The assumptions used to determine net periodic benefit cost for the years ended September 30 are as follows:

	2012	2011
Discount rate	4.75 %	5.00 %
Expected return on assets	7.50 %	7.50 %
Rate of compensation increase	N/A	N/A



# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

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The assumptions used to develop the projected benefit obligation as of September 30 are as follows

	2012	2011
Discount rate	3.94 %	4.75 %
Rate of compensation increase	N/A	N/A

To develop the expected long-term rate of return on plan assets assumption, the Agency considered the historical return and the future expectations for returns for each asset class, as well as the target asset allocation of the pension portfolio

Plan assets, valued at fair value, consist of 3% cash and cash equivalents and 97% mutual funds. The fair value of the Plan assets were \$6,459,055 and \$5,466,732 at September 30, 2012 and 2011, respectively.

The Agency made required contributions to the Plan of \$266,294 and \$308,354 in 2012 and 2011, respectively. The Agency is expected to make \$227,221 in contributions to the Plan during 2013. Benefit payments are expected to be paid as follows:

Fiscal Year	Pension Benefits
2013	\$ 243,000
2014	253,000
2015	298,000
2016	325,000
2017	384,000
Years 2018–2021	2,611,000

Effective January 1, 2008, the Agency established a 403(b) Retirement Savings Plan that covers employees who have met certain eligibility requirements. Discretionary contributions to the plan are based on years of service and compensation levels. For the fiscal years that ended September 30, 2012 and 2011, respectively, the Agency recorded an expense of \$256,171 and \$244,703.

## 12. Postretirement Plans

Kent sponsors an unfunded noncontributory defined benefit postretirement plan that provides medical and dental benefits to certain salaried and nonsalaried employees. In 1996, Kent amended the plans to eliminate benefits for all employees, except for certain employees with at least 25 years of service at that date.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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Included in the charge to net assets are the following amounts that have not yet been recognized in net periodic postretirement benefit cost as of September 30, 2012 and 2011, respectively unrecognized net transition obligation of \$257,750 and \$354,751 and unrecognized actuarial loss of \$232,036 and \$192,355. The unrecognized net transition obligation and actuarial loss expected to be recognized in net periodic postretirement costs during the fiscal year ended September 30, 2013 are \$97,000 and \$4,244, respectively.

The postretirement benefit cost for these plans was \$181,839 in 2012 and \$206,032 in 2011.

### 13. Patient Service Revenue

For the majority of the System's revenue, the Hospitals and the Agency have agreements with third-party payors that provide for payments to the Hospitals and the Agency at amounts different from their established rates. At the time of rendering service to the patients, the Hospitals and the Agency obtain assignment of benefits payable under the patient's health insurance program, plan, or policy (e.g., Medicaid, Blue Cross, health maintenance organizations, commercial insurance, Medicare, and others). The following is a breakdown of gross patient service revenue by payor type for the years ended September 30.

	2012	2011
Medicare and Medicare Managed Care	32 %	32 %
Medicaid and Medicaid Managed Care	21	20
Blue Cross	24	26
Managed care	11	11
Self-pay	5	4
Other third-party payors	7	7
	<u>100 %</u>	<u>100 %</u>

Laws and regulations governing the Medicare and Medicaid programs are extremely complex and subject to interpretation. As a result, there will always be a possibility that the recorded estimates of net revenue could change by a significant amount in the future. The Hospitals and the Agency believe they are in compliance with all applicable laws and regulations. Cost reports filed annually with third-party payors are subject to audit prior to final settlement. The Hospitals and the Agency are compliant with all reimbursement filings. A summary of cost report activity as of September 30, 2012 is as follows:

#### Medicare

Cost reports for the Hospitals and the Agency have been filed through 2011, and settled through 2011 for the Agency, 2008 for Butler, and 2006 for Kent and WIH.

#### State of Rhode Island (Medicaid)

Cost reports have been filed through 2010, and settled through 2006 for Butler, Kent and WIH. The implementation of a prospective payment system eliminated the need for Medicaid settlements after fiscal year 2010.

The filing of these cost reports and associated settlements require the use of estimates. Net patient service revenue was increased by approximately \$200,000 and \$3,300,000 in 2012 and 2011, respectively, to reflect the changes in the estimated settlements for certain prior years.

**Care New England Health System and Affiliates**  
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The Health System recognizes patient service revenue associated with services provided to patients who have third-party payor coverage on the basis of contractual rates for the services rendered. For uninsured patients that do not qualify for charity care, the Health System recognizes revenue on the basis of its standard rates for services provided (or on the basis of discounted rates, if negotiated or provided by policy). On the basis of historical experience, a significant portion of the Health System's uninsured patients will be unable or unwilling to pay for the services provided. Thus, the Health System records a significant provision for bad debts related to uninsured patients in the period the services are provided. Patient service revenue, net of contractual allowances and discounts (but before the provision for bad debts), for the years ended September 30, 2012 and 2011 is summarized as follows:

	2012	2011
Patient service revenue (net of contractual allowances and discounts)		
Third-party payors	\$ 764,152,967	\$ 720,608,442
Self-pay	<u>40,405,117</u>	<u>34,437,650</u>
Total All Payors	<u>\$ 804,558,084</u>	<u>\$ 755,046,092</u>

**14. Disproportionate Share**

The government has long recognized the financial burdens which are borne by hospitals which serve an unusually large number, or "disproportionate share", of low-income patients. Kent and WIH received disproportionate share payments of \$33,014,520 and \$27,734,289 from the State of Rhode Island's Medicaid program for the years ended September 30, 2012 and 2011, respectively. Kent and WIH also recorded disproportionate share payments of \$4,137,338 and \$4,936,177 from Medicare during 2012 and 2011, respectively.

**15. Concentration of Credit Risk**

As of September 30, 2012 and 2011, Care New England, the Hospitals, and the Agency had cash and cash equivalents in excess of Federal Depository Insurance limits at major financial institutions. These financial institutions have a strong credit rating, and management believes that credit risks related to these deposits are minimal.

The Hospitals and the Agency receive a significant portion of its payment for services rendered from a limited number of governmental and commercial third-party payors, including Medicare, Medicaid, and Blue Cross. The organization has not historically incurred any significant concentrated credit losses in the normal course of business.

**Care New England Health System and Affiliates**  
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In addition, the organizations routinely grant credit to patients without requiring collateral or other security. The mix of receivables, net of contractual allowances, from patients and third-party payors at September 30, 2012 and 2011, was as follows:

	2012	2011
Medicare and Medicare Managed Care	13 %	12 %
Medicaid and Medicaid Managed Care	13	18
Blue Cross	20	18
Managed care	12	14
Self-pay	27	23
Other third-party payors	15	15
	<u>100 %</u>	<u>100 %</u>

The Health System provides an allowance for doubtful accounts to address the risks of nonpayment of accounts receivable.

**16. Commitments and Contingencies**

**Operating Leases**

Care New England, the Hospitals, and the Agency have entered into operating lease agreements with several vendors for the lease of certain equipment and office space. Future minimum lease payments under noncancelable operating leases as of September 30, 2012 are:

2013	\$ 5,525,000
2014	4,683,772
2015	3,770,024
2016	3,510,245
2017	3,632,359
Later years	<u>37,056,002</u>
Total minimum lease payments	<u>\$ 58,177,402</u>

Total rent expense for operating leases for the years ended September 30, 2012 and 2011 amounted to \$6,235,788 and \$5,942,924, respectively.

Butler has entered into several agreements with various parties, mostly nonprofit organizations, to lease space on the Butler campus. Rental income in the amount of \$3,033,054 and \$3,007,056 for the fiscal years ending September 30, 2012 and 2011, respectively, is included in other operating revenues in the consolidated statements of operations.

**Litigation**

CNE, the Affiliates, and the Agency have been individually named as codefendants in several complaints. It is the opinion of management that the liability, if any, to CNE, the Affiliates, and the Agency in excess of insurance coverage will have no material adverse effect on the consolidated financial position of Care New England.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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#### **Collective Bargaining Agreements**

At September 30, 2012, approximately 41% of the Health System's employees were covered by collective bargaining agreements. The collective bargaining agreement covering 41% of Butler's employees will expire on March 29, 2013, and be subject to negotiation. The remaining bargaining agreements will be in effect through fiscal 2013.

#### **17. Professional and General Liability Claims**

Due to strategic and economic issues, as well as the potential for limited availability of commercial insurance policies, the Care New England entities have moved over time to covering the majority of their professional and general liability insurance to self-insured approaches. The adequacy of the coverage provided, reserves, and the funding levels are evaluated annually by independent actuaries who review the soundness of the programs and recommend future funding levels. Potential losses are estimated based on industry as well as entity experience, and a provision for these losses is recorded.

Butler annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage. Butler's professional liability coverage for claims in excess of its primary coverage limits is provided by W&I Indemnity.

Kent Hospital established Toll Gate Indemnity in 2004, as an off-shore captive insurance entity to insure primary and excess hospital professional and general liability risks, as well as to supply indemnification coverage for certain eligible medical staff.

WIH annually contributes to its self-insurance trust fund to provide for risks relating to its existing actuarially calculated primary level of professional and general liabilities, as well as the tail liability related to prior claims-made coverage.

In addition to the trust fund, WIH established W&I Indemnity in 1994, as an off-shore captive insurance entity to provide coverage for claims in excess of its underlying policy, as well as to insure the contractual liability arising from indemnification agreements with certain eligible medical staff.

The provisions for anticipated losses were based upon expected undiscounted values. Trust fund and captive assets are available for the payment of claims.

CNE Wellness Centers, LLC and the Agency purchase general and professional liability insurance from Toll Gate Indemnity.

#### **18. Other Self-Insurance Reserves**

Care New England has established a workers' compensation trust fund to cover all past and future self-insured claims of workers' compensation activity for CNE, the Hospitals, and the Agency. The reserve for workers' compensation losses is based on an actuarial study and actual experience. At September 30, 2012 and 2011, the amounts accrued for estimated self-insurance costs have not been discounted.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

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CNE, on behalf of itself, the Hospitals, and the Agency, has entered into a self-insurance program for health insurance risks. This program covers the health insurance claims for all of CNE's, the Hospitals', and the Agency's employees, with the exception of the unionized employees at WIH. The provisions for health insurance losses are based on actuarial assumptions and actual claims experience.

#### 19. Affiliation With Rhode Island Hospital

In 1981, RIH and WIH approved an agreement providing for the affiliation of the two Hospitals. The affiliation agreement provides for a program of shared medical services, thereby greatly increasing the scope of comprehensive acute-care services available to WIH in maternal, gynecological, and neonatal care. In accordance with the agreement, the Hospital relocated to the property of RIH.

#### 20. Affiliation With Accredited Medical Schools

Butler and WIH are affiliated with the Warren Alpert Medical School of Brown University. The affiliation agreements provide that Butler and WIH will be the principal academic medical centers for psychiatry and healthcare unique to women and newborns, respectively. Kent is affiliated with the University of New England College of Osteopathic Medicine.

#### 21. Functional Expenses

CNE provides healthcare services to residents within their geographic service areas. Expenses related to providing these services for the years ended September 30 are as follows:

	2012	2011
Healthcare services	\$ 661,186,079	\$ 628,362,863
General and administrative	174,155,917	168,576,799
	<u>\$ 835,341,996</u>	<u>\$ 796,939,662</u>

#### 22. Fair Value of Financial Instruments

The Health System calculates fair value defined in ASC Topic 820 to value its financial assets and liabilities, where applicable. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, and establishes a framework for measuring fair value. Topic 820 applies to other accounting pronouncements that require or permit fair value measurements, and does not require new fair value measurements. Fair value measurements are applied based on the unit of account from the reporting entity's perspective. The unit of account determines what is being measured by reference to the level at which the asset or liability is aggregated (or disaggregated) for purposes of applying other accounting pronouncements.

ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1 Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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Level 2     Observable inputs that are based on inputs not quoted in active markets, but corroborated by market data

Level 3     Unobservable inputs are used when little or no market data is available     The fair value hierarchy gives the lowest priority to Level 3 inputs

A financial instrument's categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. In determining fair value, the Health System uses valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, and considers nonperformance risk in its assessment of fair value.

Fair value for Level 1 is based upon quoted market prices. Fair value for Level 2 is based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets. Inputs are obtained from various sources, including market participants, dealers, and brokers. Fair value for Level 3 is based upon unobservable inputs for the asset (i.e., supported by little or no market activity). Level 3 inputs include management's own assumption about the assumptions that market participants would use in pricing the asset (including assumptions about risk).

The Health System's ownership in alternative investments is limited partnership interests in private equity funds. The value of certain alternative investments represents the ownership interest in the Net Asset Value (NAV) of the respective partnership. The NAV of the securities held by limited partnerships that do not have readily determinable fair values are determined by the general partner and are based on appraisals or other estimates that require varying degrees of judgment. If no public market exists for the investment securities, the fair value is determined by the general partner taking into consideration, among other things, the cost of the securities, prices of recent significant placements of securities of the same issuer, and subsequent developments concerning the companies to which the securities related. The Health System has performed significant due diligence around these investments to ensure NAV is an appropriate measure of fair value as of September 30.

The fair value of interest rate swap agreements is primarily determined using techniques consistent with the market approach. Significant observable inputs to valuation models include interest rates, treasury yields, and credit spreads.

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2012 are classified in the table below in one of the three categories described above

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 26,297,412	\$ 4,429,540	\$ -	\$ 30,726,952
Fixed income securities	38,628,640	39,360,968	-	77,989,608
Equity securities	43,582,040	-	-	43,582,040
Alternative investments	-	23,403,645	24,844,790	48,248,435
Auction rate securities	-	-	4,175,157	4,175,157
Mutual funds	20,309,265	60,175,172	-	80,484,437
Total investments	128,817,357	127,369,325	29,019,947	285,206,629
Assets held under split-interest agreements	5,542,603	5,673,910	-	11,216,513
Total assets	<u>\$ 134,359,960</u>	<u>\$ 133,043,235</u>	<u>\$ 29,019,947</u>	<u>\$ 296,423,142</u>
<b>Liabilities</b>				
Interest rate swap agreements	\$ -	\$ (13,629,389)	\$ -	\$ (13,629,389)

Financial instruments carried at fair value for the System's nonpension plan assets as of September 30, 2011 are classified in the table below in one of the three categories described above

	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Cash and cash equivalents	\$ 26,816,133	\$ 2,413,681	\$ -	\$ 29,229,814
Fixed income securities	44,166,078	30,501,011	90,901	74,757,990
Equity securities	52,221,158	-	23,685	52,244,843
Alternative investments	-	16,107,216	13,713,965	29,821,181
Auction rate securities	-	-	10,598,691	10,598,691
Mutual funds	22,736,865	53,494,363	-	76,231,228
Total investments	145,940,234	102,516,271	24,427,242	272,883,747
Assets held under split-interest agreements	10,074,539	-	-	10,074,539
Total assets	<u>\$ 156,014,773</u>	<u>\$ 102,516,271</u>	<u>\$ 24,427,242</u>	<u>\$ 282,958,286</u>
<b>Liabilities</b>				
Interest rate swap agreements	\$ -	\$ (11,356,534)	\$ -	\$ (11,356,534)

The amounts reported in the financial instruments table exclude certain alternative investments valued at approximately \$9,265,898 as of September 30, 2012 and \$5,770,226 as of September 30, 2011, which are valued at cost (Notes 2 and 7) and the values of life insurance policies valued at \$29,333,583 as of September 30, 2012 and \$28,590,839 as of September 30, 2011, which are valued at the lesser of discounted value or cash surrender value



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Financial instruments carried at fair value for assets invested in the Defined Benefit Pension Plan as of September 30, 2012 are classified in the table below in one of the three categories described above

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 7,262,893	\$ 2,178	\$ -	\$ 7,265,071
Fixed income securities	27,512,181	-	-	27,512,181
Equity securities	17,242,890	-	-	17,242,890
Alternative investments	-	38,378,495	101,034,079	139,412,574
	<u>\$ 52,017,964</u>	<u>\$ 38,380,673</u>	<u>\$ 101,034,079</u>	<u>\$ 191,432,716</u>

Financial instruments carried at fair value for the Defined Benefit Pension Plan assets as of September 30, 2011 are classified in the table below in one of the three categories described above

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Assets</b>				
Cash and cash equivalents	\$ 4,844,943	\$ 1,026	\$ -	\$ 4,845,969
Fixed income securities	25,899,100	-	-	25,899,100
Equity securities	19,023,296	-	-	19,023,296
Alternative investments	-	41,611,960	77,844,572	119,456,532
	<u>\$ 49,767,339</u>	<u>\$ 41,612,986</u>	<u>\$ 77,844,572</u>	<u>\$ 169,224,897</u>

During the years ended September 30, 2012 and 2011, respectively, the changes in the fair value for the System's financial instruments in the nonpension plan assets measured using significant unobservable inputs (Level 3) were comprised of the following

	<b>Fixed Income Securities</b>	<b>Equity Securities</b>	<b>Alternative Investments</b>	<b>Auction Rate Securities</b>	<b>Total Investments</b>
<b>Fair value at October 1, 2011</b>	\$ 90,901	\$ 23,685	\$ 13,713,965	\$ 10,598,691	\$ 24,427,242
Total gains (losses)					
Dividends and interest income	-	-	61,817	-	61,817
Net realized gains on investments	-	-	174,047	361,466	535,513
Change in net unrealized appreciation on investments	-	-	1,993,449	(535,000)	1,458,449
Purchases	-	-	14,258,095	-	14,258,095
Sales	-	-	(5,356,583)	(6,250,000)	(11,606,583)
Transfers in and/or out of Level 3	(90,901)	(23,685)	-	-	(114,586)
<b>Fair value at September 30, 2012</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,844,790</u>	<u>\$ 4,175,157</u>	<u>\$ 29,019,947</u>

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

	<b>Fixed Income Securities</b>	<b>Equity Securities</b>	<b>Alternative Investments</b>	<b>Auction Rate Securities</b>	<b>Total Investments</b>
<b>Fair value at October 1, 2010</b>	\$ -	\$ 87,912	\$ 14,528,650	\$ 19,817,913	\$ 34,434,475
Total gains (losses)					
Dividends and interest income	3,235	606	236,514	-	240,355
Net realized gains on investments	-	-	339,441	548,826	888,267
Change in net unrealized appreciation on investments	1,123	(6,153)	(2,689,188)	(18,048)	(2,712,266)
Purchases	-	14,976	9,900,000	-	9,914,976
Sales	(28,883)	(15,456)	(10,918,332)	(9,750,000)	(20,712,671)
Transfers in and/or out of Level 3	115,426	(58,200)	2,316,880	-	2,374,106
<b>Fair value at September 30, 2011</b>	<u>\$ 90,901</u>	<u>\$ 23,685</u>	<u>\$ 13,713,965</u>	<u>\$ 10,598,691</u>	<u>\$ 24,427,242</u>

During the year ended September 30, 2012 and 2011, the changes in the fair value for the System's financial instruments invested in the System's Defined Benefit Pension Plan assets measured using significant unobservable inputs (Level 3) were comprised of the following

	<b>2012</b>	<b>2011</b>
<b>Balance at beginning of year</b>	\$ 77,844,572	\$ 66,321,707
Total gains (losses)		
Dividends and interest income	775,356	341,450
Net Realized gains on investments	24,818	5,672,999
Change in net unrealized appreciation on investments	8,067,102	(7,099,511)
Purchases	18,600,000	25,848,927
Sales	(4,277,769)	(13,241,000)
<b>Balance at end of year</b>	<u>\$ 101,034,079</u>	<u>\$ 77,844,572</u>

# Care New England Health System and Affiliates

## Notes to Consolidated Financial Statements

### September 30, 2012 and 2011

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The Health System uses NAV to determine the fair value of its investments which do not have a readily determinable fair market value. The following table summarizes the key provisions for the Health System's nonpension plan investments as of September 30, 2012, which are valued at NAV. There were no outstanding unfunded commitments at September 30, 2012.

	Net Asset Value	Redemption Terms
Fixed Income	\$ 4,046,142	Bi-monthly upon 30 day prior written notice
Common Collective Trust	2,880,046	Monthly upon 30 day prior written notice
Common Collective Trust	3,885,091	Bi-monthly upon 5 day prior written notice
Common Collective Trust	4,319,792	Monthly upon 10 day prior written notice
International Equity	11,275,824	First day of each month
Absolute Return	8,927,528	Bi-monthly upon 5 day prior written notice
Hedge Fund		End of each quarter with 90 day prior written notice
Alternative Investments	5,882,195	First day of each month
Common Collective Trust	3,471,524	Daily with a minimum of \$25,000 upon written notification by 3PM EST
Common Collective Trust	5,304,373	Daily upon 5 day prior written notice
Global Asset Allocation	5,264,722	
	<u>\$ 55,257,237</u>	

The following methods and assumptions were used in estimating the fair value of financial instruments other than investments:

#### ***Accounts Payable and Accrued Expenses***

The carrying amount reported in the consolidated balance sheets for accounts payable and accrued expenses approximates its fair value.

#### ***Estimated Third-Party Payor Settlements***

The carrying amount reported in the consolidated balance sheets for estimated third-party payor settlements approximates its fair value.

#### ***Long-Term Debt***

The Health System's long-term debt obligations are reported in the accompanying statements of financial position at principal value less unamortized discount or premium, which totaled approximately \$102 million at September 30, 2012, excluding capital leases. The estimated fair value of the Health System's long-term debt as of September 30, 2012 approximated its carrying value.

**Care New England Health System and Affiliates**  
**Notes to Consolidated Financial Statements**  
**September 30, 2012 and 2011**

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**23. Affiliation Agreement With Memorial Hospital of Rhode Island**

In September 2012, Care New England Health System and Memorial Hospital of Rhode Island entered into a letter of intent for a potential transaction in which Memorial Hospital of Rhode Island would become a part of the health system operated by Care New England. Care New England and Memorial Hospital are currently engaged in due diligence and the negotiation of a definitive agreement.

**24. Subsequent Event**

Care New England Health System has assessed the impact of subsequent events through December 21, 2012, the date the audited financial statements were issued and has concluded that there were no such events that require adjustments to the audited financial statements or disclosure in the notes to the audited financial statements.

**Supplementary Consolidating  
Financial Statements**

**Care New England Health System and Affiliates**  
**Consolidating Balance Sheet**  
**September 30, 2012**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 14,055,663	\$ (9,212,629)	\$ 65,049,075	\$ (1,893,792)	\$ (5,163,890)	\$ -	\$ 62,834,427
Investments	-	-	-	25,919,112	-	-	25,919,112
Patient accounts receivable	7,098,474	65,013,709	57,406,711	-	2,399,959	-	131,918,853
Less Allowance for doubtful accounts	(1,351,601)	(22,362,370)	(11,187,392)	-	(332,544)	-	(35,233,907)
Net patient accounts receivable	5,746,873	42,651,339	46,219,319	-	2,067,415	-	96,684,946
Other receivables	4,590,032	5,350,650	11,514,027	164,484	153,038	(113,000)	21,659,231
Pledges receivable, net	219,471	683,427	974,928	-	-	-	1,877,826
Other current assets	873,591	4,997,678	2,859,084	2,662,682	39,285	-	11,432,320
Current portion of assets whose use is limited	444,954	483,131	179,075	1,412,691	-	-	2,519,851
Due from affiliates—other	4,368,186	9,131,910	5,057,996	15,838,458	290,519	(34,687,069)	-
Due from affiliates—debt	-	-	-	96,088,546	-	(96,088,546)	-
Total current assets	30,298,770	54,085,506	131,853,504	140,192,181	(2,613,633)	(130,888,615)	222,927,713
<b>Assets whose use is limited or restricted as to use</b>							
Endowment funds	15,592,995	15,491,747	8,426,166	-	-	-	39,510,908
Board-designated funds	4,555,654	24,597,196	61,212,571	-	635,794	-	91,001,215
Trustee-held funds	10,442,511	31,655,397	119,838,050	8,271,862	-	-	170,207,820
Deferred compensation funds	1,890,320	777,097	1,157,335	288,004	95,655	-	4,208,411
Total assets limited as to use	32,481,480	72,521,437	190,634,122	8,559,866	731,449	-	304,928,354
Less Amounts required to meet current obligations	(444,954)	(483,131)	(179,075)	(1,412,691)	-	-	(2,519,851)
Noncurrent assets limited as to use	32,036,526	72,038,306	190,455,047	7,147,175	731,449	-	302,408,503
Property, plant and equipment, net	22,954,549	68,275,829	154,162,702	3,489,261	904,948	-	249,787,289
Pledges receivable, net	200,895	1,953,082	500,910	-	-	-	2,654,887
Investments	517,028	-	2,068,112	1,590,017	-	-	4,175,157
Other assets	71,191	1,159,295	276,348	348,318	-	-	1,855,152
Total assets	\$ 86,078,959	\$ 197,512,018	\$ 479,316,623	\$ 152,766,952	\$ (977,236)	\$ (130,888,615)	\$ 783,808,701

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Balance Sheet**  
**September 30, 2012**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Liabilities and Net Assets</b>							
<b>Current liabilities</b>							
Accounts payable and accrued expenses	\$ 9,661,008	\$ 29,013,780	\$ 37,590,276	\$ 13,744,415	\$ 1,984,491	\$ (113,000)	\$ 91,880,970
Current portion of estimated third-party payor settlements and advances	212,908	4,107,581	6,245,126	-	243,802	-	10,809,417
Current portion of long-term debt and capital leases	192,747	1,469,443	187,500	4,507,993	35,330	-	6,393,013
Current portion of long-term debt, due to parent	612,781	1,269,144	1,678,607	-	-	(3,560,532)	-
Pension liability	1,519,114	5,532,644	2,816,488	2,162,318	107,987	-	12,138,551
Other current liabilities	1,439,100	1,629,985	4,759,226	1,500,004	354,288	-	9,682,603
Due to affiliates	1,518,769	5,216,000	12,346,272	15,197,102	408,926	(34,687,069)	-
Total current liabilities	15,156,427	48,238,577	65,623,495	37,111,832	3,134,824	(38,360,601)	130,904,554
<b>Long term liabilities</b>							
Self-insurance reserves	2,248,423	26,584,860	83,300,596	13,797,374	-	-	125,931,253
Long-term portion of estimated third-party payor settlements and advances	2,384,292	5,544,295	16,692,081	-	-	-	24,620,668
Long-term debt and capital leases	3,612,016	1,416,934	2,218,750	101,099,422	30,772	-	108,377,894
Pension liability	14,662,611	23,606,286	10,958,431	4,994,077	2,970,298	-	57,191,703
Postretirement liability	-	1,788,923	-	-	-	-	1,788,923
Interest rate swaps	-	-	-	13,629,389	-	-	13,629,389
Other liabilities	2,988,577	1,884,759	2,345,685	1,479,831	92,606	-	8,791,458
Due to parent, long-term debt	14,698,778	27,347,965	50,481,271	-	-	(92,528,014)	-
Total long-term liabilities	40,594,697	88,174,022	165,996,814	135,000,093	3,093,676	(92,528,014)	340,331,288
<b>Net assets</b>							
Unrestricted	11,946,775	39,816,679	233,975,976	(19,344,973)	(7,205,736)	-	259,188,721
Temporarily restricted	15,958,566	8,561,926	9,520,846	-	-	-	34,041,338
Permanently restricted	2,422,494	12,720,814	4,199,492	-	-	-	19,342,800
Total net assets	30,327,835	61,099,419	247,696,314	(19,344,973)	(7,205,736)	-	312,572,859
Total liabilities and net assets	\$ 86,078,959	\$ 197,512,018	\$ 479,316,623	\$ 152,766,952	\$ (977,236)	\$ (130,888,615)	\$ 783,808,701

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Statement of Operations**  
**Year Ended September 30, 2012**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Revenues and gains</b>							
Patient service revenue (net of contractual allowances and discounts)	\$ 66,380,825	\$ 324,548,139	\$ 397,940,613	\$ 1,244,508	\$ 14,940,842	\$ (496,843)	\$ 804,558,084
Provision for bad debts	(2,853,893)	(36,189,675)	(3,673,580)	-	10,801	-	(42,706,347)
Net patient service revenue less provision for bad debts	63,526,932	288,358,464	394,267,033	1,244,508	14,951,643	(496,843)	761,851,737
Net assets released from restrictions and used for operations	321,201	660,378	1,598,377	-	-	-	2,579,956
Research revenue	10,838,714	-	15,857,048	-	-	-	26,695,762
Other revenue	19,395,562	12,419,575	37,914,373	85,579,328	1,028,235	(101,311,186)	55,025,887
Total revenues and gains	94,082,409	301,438,417	449,636,831	86,823,836	15,979,878	(101,808,029)	846,153,342
<b>Operating expenses</b>							
Salaries and benefits	63,272,987	162,850,160	258,155,420	58,838,037	13,320,568	(4,451,471)	551,985,701
Supplies and other expenses	14,863,131	100,260,325	115,641,768	27,763,949	2,216,131	(97,243,558)	163,501,746
Research expenses	10,675,755	-	15,840,307	-	-	-	26,516,062
Depreciation and amortization	3,485,332	9,043,796	14,259,396	449,055	226,304	-	27,463,883
Insurance	2,035,040	11,947,667	16,362,086	63,560	139,047	(113,000)	30,434,400
Licensure fee	-	13,446,669	18,388,595	-	-	-	31,835,264
Interest	443,047	802,014	2,195,385	160,446	4,048	-	3,604,940
Total operating expenses	94,775,292	298,350,631	440,842,957	87,275,047	15,906,098	(101,808,029)	835,341,996
Income (loss) from operations	(692,883)	3,087,786	8,793,874	(451,211)	73,780	-	10,811,346
<b>Nonoperating gains (losses)</b>							
Investment income on assets limited as to use	1,983,279	376,742	1,346,434	247,539	19,179	-	3,973,173
Unrestricted gifts and bequests	55,936	615	398,113	-	90,272	-	544,936
Change in fair value of interest rate swaps	-	-	-	(2,272,855)	-	-	(2,272,855)
Change in net unrealized (losses) gains on investments	(654,825)	2,657,974	11,315,244	(148,450)	69,262	-	13,239,205
Nonoperating expenditures	(314,360)	(860,725)	(883,580)	-	(47,921)	-	(2,106,586)
Net nonoperating gains (losses)	1,070,030	2,174,606	12,176,211	(2,173,766)	130,792	-	13,377,873
Excess (deficiency) of revenues and gains over expenses and losses	\$ 377,147	\$ 5,262,392	\$ 20,970,085	\$ (2,624,977)	\$ 204,572	\$ -	\$ 24,189,219

The accompanying notes are an integral part of these financial statements



**Care New England Health System and Affiliates**  
**Consolidating Statement of Changes in Net Assets**  
**Year Ended September 30, 2012**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Unrestricted net assets</b>							
Excess (deficiency) of revenues and gains over expenses and losses	\$ 377,147	\$ 5,262,392	\$ 20,970,085	\$ (2,624,977)	\$ 204,572	\$ -	\$ 24,189,219
Pension and postretirement adjustment	(7,272,127)	(1,312,116)	(170,517)	(2,093,956)	(276,710)	-	(11,125,426)
Net assets released from restrictions used for purchase of property, plant and equipment	137,970	953,713	942,049	-	-	-	2,033,732
Transfers	26,000	26,000	26,000	(100,000)	22,000	-	-
Transfer to deferred revenue	19,619	-	-	-	-	-	19,619
(Decrease) increase in unrestricted net assets	(6,711,391)	4,929,989	21,767,617	(4,818,933)	(50,138)	-	15,117,144
<b>Temporarily restricted net assets</b>							
Contributions	961,191	3,279,885	3,869,709	-	-	-	8,110,785
Income from investments	234,724	638,028	154,180	-	-	-	1,026,932
Net realized and unrealized gains from investments	1,594,578	627,520	925,615	-	-	-	3,147,713
Net assets released from restrictions	(459,171)	(1,614,091)	(2,540,426)	-	-	-	(4,613,688)
Increase in temporarily restricted net assets	2,331,322	2,931,342	2,409,078	-	-	-	7,671,742
<b>Permanently restricted net assets</b>							
Net realized and unrealized gains from investments	-	1,141,973	524	-	-	-	1,142,497
Contributions	(6,653)	6,713	63,915	-	-	-	63,975
(Decrease) increase in permanently restricted net assets	(6,653)	1,148,686	64,439	-	-	-	1,206,472
(Decrease) increase in net assets	(4,386,722)	9,010,017	24,241,134	(4,818,933)	(50,138)	-	23,995,358
Net assets at beginning of year	34,714,557	52,089,402	223,455,180	(14,526,040)	(7,155,598)	-	288,577,501
Net assets at end of year	\$ 30,327,835	\$ 61,099,419	\$ 247,696,314	\$ (19,344,973)	\$ (7,205,736)	\$ -	\$ 312,572,859

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Balance Sheet**  
**September 30, 2011**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	\$ 16,383,496	\$ 6,759,981	\$ 37,089,536	\$ (13,910,768)	\$ (4,094,056)	\$ -	\$ 42,228,189
Investments	1,645,743	-	1,983,158	26,909,317	-	-	30,538,218
Patient accounts receivable	6,695,474	53,675,679	65,956,627	-	2,063,680	-	128,391,460
Less Allowance for doubtful accounts	(1,008,034)	(18,023,227)	(13,124,110)	-	(411,843)	-	(32,567,214)
Net patient accounts receivable	5,687,440	35,652,452	52,832,517	-	1,651,837	-	95,824,246
Other receivables	2,486,892	5,561,791	10,819,886	116,676	199,991	-	19,185,236
Pledges receivable, net	183,340	554,200	923,283	-	-	-	1,660,823
Other current assets	836,258	4,554,845	2,438,867	1,617,264	43,002	-	9,490,236
Current portion of assets whose use is limited	679,392	1,109,335	2,281,783	10,021	-	-	4,080,531
Due from affiliates – other	4,071,228	2,620,530	1,547,503	11,493,346	140,399	(19,873,006)	-
Due from affiliates – debt	-	-	-	95,723,122	-	(95,723,122)	-
Total current assets	31,973,789	56,813,134	109,916,533	121,958,978	(2,058,827)	(115,596,128)	203,007,479
<b>Assets whose use is limited or restricted as to use</b>							
Endowment funds	13,944,405	13,715,541	7,333,101	-	-	-	34,993,047
Board-designated funds	3,965,894	20,633,295	55,075,397	-	548,587	-	80,223,173
Trustee-held funds	12,164,645	34,934,344	112,106,857	1,412,230	-	-	160,618,076
Deferred compensation funds	1,793,847	1,070,079	1,113,087	280,212	94,421	-	4,351,646
Total assets limited as to use	31,868,791	70,353,259	175,628,442	1,692,442	643,008	-	280,185,942
Less Amounts required to meet current obligations	(679,392)	(1,109,335)	(2,281,783)	(10,021)	-	-	(4,080,531)
Noncurrent assets limited as to use	31,189,399	69,243,924	173,346,659	1,682,421	643,008	-	276,105,411
Property, plant and equipment, net	21,815,094	68,277,037	157,203,527	2,685,977	813,908	-	250,795,543
Pledges receivable, net	374,391	1,790,034	798,862	-	-	-	2,963,287
Investments	816,698	-	3,266,796	2,511,697	-	-	6,595,191
Other assets	50,791	1,295,024	314,679	319,060	-	-	1,979,554
Total assets	\$ 86,220,162	\$ 197,419,153	\$ 444,847,056	\$ 129,158,133	\$ (601,911)	\$ (115,596,128)	\$ 741,446,465

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Balance Sheet**  
**September 30, 2011**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Liabilities and Net Assets</b>							
<b>Current liabilities</b>							
Accounts payable and accrued expenses	\$ 10,004,744	\$ 34,423,301	\$ 35,567,640	\$ 11,754,804	\$ 2,144,728	\$ -	\$ 93,895,217
Current portion of estimated third-party payor settlements and advances	869,213	2,827,844	10,568,241	-	243,802	-	14,509,100
Current portion of long-term debt and capital leases	228,748	1,412,303	512,728	3,726,267	33,837	-	5,913,883
Current portion of long-term debt, due to parent	573,324	941,388	2,091,940	-	-	(3,606,652)	-
Pension liability	1,541,469	5,452,964	2,872,294	1,412,335	99,138	-	11,378,200
Other current liabilities	1,448,665	1,513,971	5,098,545	-	257,992	-	8,319,173
Due to affiliates	1,943,826	7,903,957	5,452,012	3,755,579	817,632	(19,873,006)	-
Total current liabilities	16,609,989	54,475,728	62,163,400	20,648,985	3,597,129	(23,479,658)	134,015,573
<b>Long term liabilities</b>							
Self-insurance reserves	2,068,466	25,611,122	78,300,993	11,935,955	-	-	117,916,536
Long-term portion of estimated third-party payor settlements and advances	2,007,520	5,063,286	12,585,738	-	-	-	19,656,544
Long-term debt and capital leases	5,003,058	2,886,378	2,406,253	95,607,415	63,221	-	105,966,325
Pension liability	8,497,658	26,656,414	12,839,480	3,835,775	2,697,620	-	54,526,947
Postretirement liability	-	1,973,659	-	-	-	-	1,973,659
Interest rate swaps	-	-	-	11,356,534	-	-	11,356,534
Other liabilities	2,232,278	2,193,627	2,535,715	299,509	195,717	-	7,456,846
Due to parent, long-term debt	15,086,636	26,469,537	50,560,297	-	-	(92,116,470)	-
Total long-term liabilities	34,895,616	90,854,023	159,228,476	123,035,188	2,956,558	(92,116,470)	318,853,391
<b>Net assets</b>							
Unrestricted	18,658,166	34,886,690	212,208,359	(14,526,040)	(7,155,598)	-	244,071,577
Temporarily restricted	13,627,244	5,630,584	7,111,768	-	-	-	26,369,596
Permanently restricted	2,429,147	11,572,128	4,135,053	-	-	-	18,136,328
Total net assets	34,714,557	52,089,402	223,455,180	(14,526,040)	(7,155,598)	-	288,577,501
Total liabilities and net assets	\$ 86,220,162	\$ 197,419,153	\$ 444,847,056	\$ 129,158,133	\$ (601,911)	\$ (115,596,128)	\$ 741,446,465

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Statement of Operations**  
**Year Ended September 30, 2011**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Revenues and gains</b>							
Patient service revenue (net of contractual allowances and discounts) \$	64,309,852	\$ 299,788,244	\$ 375,106,190	\$ 248,004	\$ 15,792,411	\$ (198,609)	\$ 755,046,092
Provision for bad debts	(1,796,158)	(24,146,955)	(5,981,694)	-	(6,281)	-	(31,931,088)
Net patient service revenue less provision for bad debts	62,513,694	275,641,289	369,124,496	248,004	15,786,130	(198,609)	723,115,004
Net assets released from restrictions and used for operations	515,141	815,162	1,665,083	-	-	-	2,995,386
Research revenue	10,907,545	-	17,549,294	-	-	-	28,456,839
Other revenue	18,188,183	14,698,760	35,014,775	57,227,710	1,088,816	(71,629,729)	54,588,515
Total revenues and gains	92,124,563	291,155,211	423,353,648	57,475,714	16,874,946	(71,828,338)	809,155,744
<b>Operating expenses</b>							
Salaries and benefits	63,515,803	160,979,258	256,541,949	38,377,253	13,896,113	(6,786,722)	526,523,654
Supplies and other expenses	13,469,899	91,868,376	88,806,181	18,991,309	2,059,710	(64,957,616)	150,237,859
Research expenses	10,901,077	-	17,698,440	-	-	-	28,599,517
Depreciation and amortization	3,324,998	8,873,736	14,694,296	399,972	228,710	-	27,521,712
Insurance	1,790,359	12,540,460	14,783,640	76,674	495,989	(84,000)	29,603,122
Licensure fee	-	13,441,647	17,270,751	-	-	-	30,712,398
Interest	568,145	755,933	2,278,233	123,860	15,229	-	3,741,400
Total operating expenses	93,570,281	288,459,410	412,073,490	57,969,068	16,695,751	(71,828,338)	796,939,662
Income (loss) from operations	(1,445,718)	2,695,801	11,280,158	(493,354)	179,195	-	12,216,082
<b>Nonoperating gains (losses)</b>							
Investment income on assets limited as to use	820,545	483,038	1,692,236	250,316	23	-	3,246,158
Unrestricted gifts and bequests	58,147	1,130	412,125	100,000	74,588	-	645,990
Change in fair value of interest rate swaps	-	-	-	(1,539,686)	-	-	(1,539,686)
Change in net unrealized losses on investments	(354,523)	(3,972,518)	(8,211,568)	(100,014)	(40,680)	-	(12,679,303)
Nonoperating expenditures	(321,469)	(842,322)	(696,783)	-	(25,655)	-	(1,886,229)
Net nonoperating gains (losses)	202,700	(4,330,672)	(6,803,990)	(1,289,384)	8,276	-	(12,213,070)
Excess (deficiency) of revenues and gains over expenses and losses	\$ (1,243,018)	\$ (1,634,871)	\$ 4,476,168	\$ (1,782,738)	\$ 187,471	\$ -	\$ 3,012

The accompanying notes are an integral part of these financial statements

**Care New England Health System and Affiliates**  
**Consolidating Statement of Changes in Net Assets**  
**Year Ended September 30, 2011**

	Butler and Affiliates	Kent and Affiliates	WIC and Affiliates	Care New England	The Agency	Eliminations	Total
<b>Unrestricted net assets</b>							
Excess (deficiency) of revenues and gains over expenses and losses	\$ (1,243,018)	\$ (1,634,871)	\$ 4,476,168	\$ (1,782,738)	\$ 187,471	\$ -	\$ 3,012
Pension and postretirement adjustment	(3,118,755)	(9,057,549)	(4,367,310)	(2,216,786)	(595,059)	-	(19,355,459)
Net assets released from restrictions used for purchase of property, plant and equipment	351,935	789,882	2,277,464	-	-	-	3,419,281
Transfers	(8,618)	(27,307)	(37,485)	75,000	(1,590)	-	-
Transfer to deferred revenue	(807,390)	-	(1,834,250)	-	-	-	(2,641,640)
(Decrease) increase in unrestricted net assets	(4,825,846)	(9,929,845)	514,587	(3,924,524)	(409,178)	-	(18,574,806)
<b>Temporarily restricted net assets</b>							
Contributions	1,011,584	3,615,937	2,487,283	-	-	-	7,114,804
Income from investments	197,215	449,984	261,745	-	-	-	908,944
Net realized and unrealized losses from investments	(713,034)	(110,650)	(520,803)	-	-	-	(1,344,487)
Net assets released from restrictions	(867,076)	(1,605,044)	(3,942,547)	-	-	-	(6,414,667)
(Decrease) increase in temporarily restricted net assets	(371,311)	2,350,227	(1,714,322)	-	-	-	264,594
<b>Permanently restricted net assets</b>							
Net realized and unrealized gains (losses) from investments	-	(499,926)	504	-	-	-	(499,422)
Contributions	6,090	15,634	82,356	-	-	-	104,080
Increase (decrease) in permanently restricted net assets	6,090	(484,292)	82,860	-	-	-	(395,342)
Decrease in net assets	(5,191,067)	(8,063,910)	(1,116,875)	(3,924,524)	(409,178)	-	(18,705,554)
Net assets at beginning of year	39,905,624	60,153,312	224,572,055	(10,601,516)	(6,746,420)	-	307,283,055
Net assets at end of year	\$ 34,714,557	\$ 52,089,402	\$ 223,455,180	\$ (14,526,040)	\$ (7,155,598)	\$ -	\$ 288,577,501

The accompanying notes are an integral part of these financial statements